

**REDACTED**

*DOCKET NO.:* 080065-TX – Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida

*WITNESS:* Direct Testimony of Robert J. Casey, Appearing on Behalf of Florida Public Service Commission Staff

*DATE FILED:* April 10, 2008

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1 DIRECT TESTIMONY OF ROBERT J. CASEY

2 Q. Would you please state your name and business address.

3 A. My name is Robert J. Casey, 2540 Shumard Oak Boulevard, Tallahassee, Florida  
4 32399-0850.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Florida Public Service Commission (PSC), Division of  
7 Competitive Markets and Enforcement, Competitive Industry Practices Section, as a Public  
8 Utilities Supervisor.

9 Q. Please give a brief description of your background and experience.

10 A. I graduated from the University of Illinois in October 1971, with a bachelor of science  
11 degree in accounting. I spent 22 years in the private sector in various operational and  
12 supervisory positions. I began employment with the PSC in August 1993, in the Division of  
13 Water and Wastewater, Bureau of Special Assistance, as a Regulatory Analyst I. I was  
14 subsequently promoted to Regulatory Analyst II, Regulatory Analyst III, Regulatory Analyst  
15 IV, and Professional Accountant Specialist. I began working in the Division of Competitive  
16 Markets and Enforcement in September 2000, as a Regulatory Analyst Supervisor. I have  
17 since been promoted to Public Utilities Supervisor.

18 Q. What are your general duties as a Public Utilities Supervisor?

19 A. I supervise the workload of employees to ensure the best use of time and resources,  
20 supervise the preparation of comprehensive reports, direct research into all aspects of  
21 telecommunications company regulation, supervise the preparation of economic and statistical  
22 research reports, prepare recommendations for Commission consideration, prepare exhibits  
23 and materials for hearings and investigations, participate in formal proceedings before the  
24 Commission, serve as an expert witness, draft rules on matters relating to regulated  
25 companies, and prepare and present expert technical testimony.

1           Specifically, I supervise and address issues related to Lifeline and Link-Up, eligible  
2 telecommunications carrier (ETC) petitions, universal service, area codes, number  
3 assignments, number portability, number pooling, number reclamation, storm cost recovery,  
4 Florida Relay program for the deaf and hard-of-hearing, rulemaking, and various other  
5 inquiries and complaints.

6 Q.     Have you ever testified as a member of the Commission staff?

7 A.     I was a staff witness in Docket No. 950495-WS, Southern States Utilities. I submitted  
8 testimony which was stipulated into the record.

9 Q.     What is the purpose of your testimony?

10 A.    I am providing staff testimony regarding the investigation of Vilaire Communications,  
11 Inc.'s (VCI) ETC status and competitive local exchange company (CLEC) certificate status in  
12 the state of Florida in Docket 080065-TX.

13 Q.    Are you sponsoring any exhibits in this case?

14 A.    Yes. I am sponsoring the following exhibits:

15       Exhibit RJC-1: Commission Order PSC-06-0035-PAA-TX, issued January 10, 2006,  
16 granting Vilaire Communications a competitive local exchange company certificate.

17       Exhibit RJC-2: Vilaire Communications, Inc. Application for Designation as an ETC  
18 in the State of Florida in AT&T Telecommunications, Inc.'s Service Area. (Exhibit's  
19 A-D of Application omitted)

20       Exhibit RJC-3: Commission Order PSC-06-0436-PAA-TX, issued May 26, 2008.  
21 granting VCI eligible telecommunications carrier (ETC) status in Florida.

22       Exhibit RJC-4: Universal Service Fund (USF) monies received by VCI for Lifeline,  
23 Link-Up, and toll limitation services (TLS) since becoming an ETC in Florida.

24       Exhibit RJC-5: VCI responses to staff's May 4, 2007 data request.

25       Exhibit RJC-6: September 13, 2003 Universal Service Administrative Company

1 (USAC) letter to VCI regarding TLS.

2 Exhibit RJC-7: Federal Communications Commission (FCC) Notice of Apparent  
3 Liability for Forfeiture and Order issued against VCI on August 15, 2007.

4 Exhibit RJC-8: September 18, 2007 e-mail from Stacey Klinzman of VCI questioning  
5 the Commission's authority to conduct an audit.

6 Exhibit RJC-9: Commission Order PSC-08-0090-PAA-TX, issued February 13, 2008.  
7 In Re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications  
8 carrier status and competitive local exchange company certificate status in the state of  
9 Florida.

10 Exhibit RJC-10: VCI Protest of Proposed Agency Action Order PSC-08-0090-PAA-  
11 TX on March 5, 2008, and request for a formal hearing.

12 Exhibit RJC-11: Commission Order PSC-08-0194-PCO-TX, issued March 26, 2008,  
13 Order Establishing Procedure.

14 Exhibit RJC-12: VCI's March 16, 2006 responses to staff's March 10, 2006 data  
15 request.

16 Confidential Exhibit RJC-13: AT&T's December 14, 2007 responses to staff's  
17 November 30, 2007 data requests.

18 Exhibit RJC-14: Transcript of February 12, 2008 PSC Agenda Conference, Item No. 4.

19 Confidential Exhibit RJC-15: VCI's January 16, 2008 responses to staff's post-audit  
20 questions.

21 Exhibit RJC-16: Universal Service Administrative Company (USAC) Form 497.

22 Exhibit RJC-17: USAC Form 497 instructions.

23 Exhibit RJC-18: AT&T Basic Local Exchange Service Tariff A.3.31.2.

24 Confidential Exhibit RJC-19: VCI's Lifeline/Link-Up Reseller Certification dated  
25 March 20, 2007.



1 Exhibit RJC-20: Form 497 forms filed by VCI for the months from June 2006 through  
2 February 2008.

3 Confidential Exhibit RJC-21: Spreadsheet showing monthly VCI reported lines to  
4 Florida Telecommunications Relay, Inc.; VCI resale Lifeline lines and wholesale local  
5 platform (WLP) lines purchased from AT&T; USAC Form 497 claimed Lifeline,  
6 Link-Up and TLS lines and amounts; and amounts billed by AT&T to VCI.

7 Exhibit RJC-22: VCI responses to staff's September 18, 2007 data request addressing  
8 information for the PSC's annual Lifeline report.

9 Confidential Exhibit RJC-23: AT&T's January 23, 2008 responses to staff's January  
10 7, 2008 data requests, and AT&T's April 4, 2008 responses to staff's March 31, 2008  
11 data requests.

12 Exhibit RJC-24: USAC Guidelines for TLS.

13 Exhibit RJC-25: Florida E-911 Program Status as of March 3, 2008.

14 Q. What is universal service?

15 A. As defined by Section 364.025(1), Florida Statutes, the term "universal service" means  
16 "an evolving level of access to telecommunications services that, taking into account advances  
17 in technologies, services, and market demand for essential services, the Commission  
18 determines should be provided at just, reasonable, and affordable rates to customers, including  
19 those in rural, economically disadvantaged, and high-cost areas." The Federal Universal  
20 Service Fund pays for four programs. They are Link-Up/Lifeline, High Cost, Schools and  
21 Libraries, and Rural Health Care.

22 Q. Which universal service programs does VCI participate in?

23 A. VCI only participates in the Link-Up/Lifeline low-income universal service program.  
24 VCI was granted ETC status solely for the purpose of providing Lifeline service in the state of  
25 Florida. It does not participate in the high cost program. (EXH RJC-3, p.2)

1 Q. What is the Universal Service Administrative Company?

2 A. The Universal Service Administrative Company is an independent, not-for-profit  
3 corporation designated as the administrator of the federal USF by the FCC.

4 Q. What is an eligible telecommunications carrier?

5 A. As defined by 364.10(2)(a), Florida Statutes, the term "eligible telecommunications  
6 carrier" means a telecommunications company, as defined by section 364.02, Florida Statutes,  
7 which is designated as an eligible telecommunications carrier by the Commission pursuant to  
8 47 C.F.R. s. 54.201. ETC status allows a carrier to receive support from the universal service  
9 fund through the USAC.

10 Q. What is Lifeline service?

11 A. Lifeline service in Florida provides a \$13.50 discount on basic monthly telephone  
12 service to qualified low-income individuals. Eligibility can be determined by customer  
13 enrollment in any one of the following programs: Temporary Cash Assistance (TCA),  
14 Supplemental Security Income, Food Stamps, Medicaid, Federal Public Housing Assistance  
15 (Section 8), Low-Income Home Energy Assistance Plan, National School Lunch Program's  
16 Free Lunch Program, or Bureau of Indian Affairs Programs. In addition to the program-based  
17 criteria, AT&T, Embarq, and Verizon customers with annual incomes up to 135 percent of the  
18 Federal Poverty Guidelines may be eligible to participate in the Florida Link-Up and Lifeline  
19 programs.

20 Q. When was VCI granted a CLEC certificate and when was it granted eligible  
21 telecommunications company status?

22 A. By Order PSC-06-0035-PAA-TX, issued January 10, 2006, in Docket No. 050865-TX,  
23 VCI received its CLEC certificate. (EXH RJC-1) On February 17, 2006, VCI petitioned the  
24 Florida Public Service Commission for designation as an ETC. (EXH RJC-2) By Order No.  
25 PSC-06-0436-PAA-TX, issued May 22, 2006, in Docket No. 060144-TX, VCI's petition for

1 designation as an ETC in Florida was granted. (EXH RJC-3)

2 Q. Why was Docket No. 080065-TX opened?

3 A. As part of the PSC's ongoing effort to monitor the federal USF and the effect it has on  
4 consumers in Florida, I began tracking disbursements made to ETCs from the USF by the  
5 USAC in October 2004. The purpose was to monitor high cost and low-income monies  
6 received by each of Florida's ETCs and to watch for any atypical filings.

7 Staff began analyzing VCI in May 2007 because it appeared that VCI was claiming an  
8 unusually high amount of USAC reimbursements for toll limitation purposes provided to  
9 Lifeline customers. TLS is an optional service which includes toll blocking (allows  
10 subscribers to block outgoing toll calls) and toll control (allows subscribers to limit in advance  
11 their toll usage per month or billing cycle). Exhibit RJC-4 shows the amount of federal USF  
12 monies received by VCI for Lifeline, Link-Up and TLS since becoming an ETC in Florida.  
13 As can be seen, VCI has received \$241,001 in TLS universal service support from August  
14 2006 through March 2008. (EXH RJC-4) Our initial concern with VCI toll limitation was  
15 whether Lifeline customers were being provided an option of electing toll blocking as required  
16 by Florida law.

17 Section 364.10(2)(c), Florida Statutes, provides that "An eligible telecommunications  
18 carrier may not collect a service deposit in order to initiate Lifeline service if the qualifying  
19 low-income consumer voluntarily elects toll blocking or toll limitation. If the qualifying low-  
20 income consumer elects not to place toll blocking on the line, an eligible telecommunications  
21 carrier may charge a service deposit." On May 4, 2007, staff sent a data request to VCI  
22 addressing VCI's toll limitation services. VCI provided responses on June 15, 2007. (EXH  
23 RJC-5) In response to staff's data request, VCI indicated that it does not require its customers  
24 to subscribe to toll blocking and advised staff that it was provided guidance by USAC  
25 regarding notification to Lifeline customers of when toll-blocking can be removed. (EXH

1 RJC-6)

2 At the June 19, 2007 Agenda Conference, during consideration of a staff  
3 recommendation addressing ETC status for Alltel Communications, Inc. (Docket No. 060582-  
4 TP, In Re: Petition of Alltel Communications, Inc for designation as a eligible  
5 telecommunications carrier in certain rural telephone company study areas located entirely in  
6 Alltel's licensed area), Commissioners stressed the importance and need for accountability  
7 regarding universal service funds. At that time, staff advised Commissioners that it had been  
8 discussing auditing of Florida's ETCs to ensure that USF funds received by the ETCs are used  
9 in a manner consistent with section 254 of the Federal Act.

10 On August 15, 2007, the FCC released a "Notice of Apparent Liability for Forfeiture  
11 and Order" (In the Matter of VCI Company Apparent Liability for Forfeiture, File No. EB-07-  
12 IH-3985, NAL/Acct. No. 200732080033, FRN No. 0015783004, FCC 07-148, released  
13 August 15, 2007) against VCI. (EXH RJC-7) The FCC found that VCI violated FCC rules by  
14 repeatedly failing to keep and provide the USAC accurate records of revenues it was forgoing  
15 in providing Link-Up and Lifeline service in Minnesota, Oregon, and Washington. In  
16 addition, the FCC found that VCI violated federal law by willfully or repeatedly receiving  
17 duplicate reimbursement for qualifying low-income consumers served, and determined that  
18 VCI is liable for a total forfeiture of \$1,047,500. The FCC ordered VCI to submit revised  
19 Form 497s to USAC within 30 days excluding all requests for duplicate universal service  
20 reimbursement for qualifying low-income customers served from August 2004 to August  
21 2007. VCI relinquished ETC status and ceased all telecommunications service operations in  
22 Washington on January 11, 2007, and in Oregon on February 1, 2007. The FCC's order  
23 placed other states in which VCI is claiming universal service support on notice of VCI's  
24 improper actions. The FCC noted in its order that VCI's computer system was used to support  
25 its reimbursement for duplicate telephone numbers and addresses in Minnesota, Oregon, and

1 Washington, and VCI also presumably did the same in other states for which reimbursement  
2 was sought. (FCC 07-148, Footnote 51)

3 Staff decided to proceed with audits of ETCs to ensure federal USF monies were being  
4 used for their intended purposes. Staff chose to audit one incumbent local exchange carrier  
5 ETC and one competitive local exchange company ETC. On September 7, 2007, staff notified  
6 VCI via letter that it would be conducting an audit of the low-income Florida USAC programs  
7 in accordance with Commission audit procedures. On September 18, 2007, staff received a  
8 phone call and subsequent e-mail from VCI questioning the Commission's authority to  
9 conduct an audit of federal monies disbursed from the USF. (EXH RJC-8) VCI requested  
10 written evidence defining the PSC's authority to initiate an audit. On September 19, 2007,  
11 staff conducted a conference call with VCI explaining the Commission's authority to conduct  
12 an audit, after which VCI withdrew its request for a written explanation concerning the PSC's  
13 legal authority to conduct an audit.

14 A staff audit report was issued November 5, 2007. A post-audit conference call was  
15 held with VCI on November 27, 2007, to discuss the audit findings. VCI was advised on the  
16 call that it had the opportunity to submit a written reply to the audit if it chose to do so. No  
17 written reply was ever received from VCI. On January 9, 2008, staff conducted another  
18 conference call with VCI to provide it the opportunity to explain some of the audit findings  
19 and additional information staff obtained from USAC and AT&T, VCI's sole underlying  
20 carrier. As a follow-up to the conference call, on January 14, 2008, staff provided VCI with  
21 four questions which were still outstanding and needed to be answered. VCI agreed to  
22 complete the responses and send them overnight express mail no later than January 15, 2008.

23 On January 14, 2008, local counsel for VCI called me to say that it was her  
24 understanding that VCI did not provide acceptable explanations to staff's questions during the  
25 January 9, 2008 conference call. I advised her that this was correct, and then VCI agreed to

1 send the additional information needed by staff via overnight mail. When the local counsel  
2 for VCI asked what the PSC would be doing next, I advised her that depending on the  
3 information staff receives, it might go to agenda in mid-February with a recommendation for  
4 the Commissioners' consideration. She asked if it would be beneficial for VCI to fly down  
5 here to help explain. I responded that that decision would be up to VCI and that staff would  
6 be willing to meet if VCI's chose to do so. Staff subsequently provided two dates, January 24,  
7 2008 or January 25, 2008, for possible times to meet with VCI.

8           On January 18, 2008, local VCI counsel called staff and asked to postpone any face-to-  
9 face meeting with VCI until sometime in February. Local counsel said VCI was busy on a  
10 project and couldn't make it on January 24 or January 25. Staff advised local VCI counsel  
11 that postponement of a face-to-face meeting would be unacceptable, and advised local counsel  
12 that it would be filing a recommendation on January 31, 2008. Staff then offered VCI another  
13 date to meet, Monday, January 28, 2008, prior to the recommendation filing date. No reply to  
14 that offer was ever received from VCI. On January 25, 2008, staff filed a Request to Establish  
15 Docket form to address the investigation of VCI's ETC status and CLEC status in the state of  
16 Florida. On January 31, 2008, staff filed its recommendation addressing the VCI  
17 investigation. Commissioners approved the recommendation at the February 12, 2008 Agenda  
18 Conference. After the Commission made its decision regarding VCI, staff met with VCI  
19 counsel and reiterated its willingness to meet with VCI if it chose to. A Proposed Agency  
20 Action Order was issued February 13, 2008. (EXH RJC-9) VCI filed a Protest of the  
21 Proposed Agency Action Order on March 5, 2008, and requested a formal hearing. (EXH  
22 RJC-10) An Order Establishing Procedure was issued on March 26, 2008, identifying the  
23 issues to be addressed at hearing. (EXH RJC-11)

24 ISSUE 1: IS THE PSC AUTHORIZED TO AUDIT AN ETC'S RECORDS FOR  
25 COMPLIANCE WITH APPLICABLE LIFELINE, LINK-UP, AND ETC STATUTES,

1 RULES, PROCESSES, PROCEDURES, AND ORDERS?

2 Q. Where does the PSC receive authority to conduct audits of ETCs?

3 (This Issue will be addressed in staff's post-hearing brief.)

4 ISSUE 2: DID VCI PROVIDE LIFELINE SERVICE TO ITS FLORIDA CUSTOMERS  
5 USING A COMBINATION OF ITS OWN FACILITIES AND RESALE OF ANOTHER  
6 CARRIER'S SERVICES BETWEEN JUNE 2006 AND NOVEMBER 2006?

7 Q. What are the rules regarding the use of an ETC's facilities to provide services  
8 supported by universal service?

9 A. 47 C.F.R. Section 54.201(d)(1) provides that an ETC must offer the services that are  
10 supported by federal universal service support mechanisms either using its own facilities or a  
11 combination of its own facilities and resale of another carrier's services. 47 C.F.R. Section  
12 54.201(d)(2)(f) provides that the term "own facilities" includes, but is not limited to, facilities  
13 obtained as unbundled network elements, provided that such facilities meet the definition of  
14 the term "facilities" under this subpart. Circuits formerly obtained as unbundled network  
15 elements are now obtained via a wholesale agreement and are known as Wholesale Local  
16 Platform lines.

17 Q. Does a customer's telephone line have to be active to be considered reimbursable from  
18 USAC for Lifeline purposes?

19 A. Yes. In order for an ETC to claim a \$10.00 Lifeline reimbursement from USAC, the  
20 customer must have an active access line. 47 C.F.R. Section 54.407(a) states that "Universal  
21 service support for providing Lifeline shall be provided directly to the eligible  
22 telecommunications carrier, based on the number of qualifying low-income consumers it  
23 serves, under administrative procedures determined by the Administrator." (emphasis added)  
24 47 C.F.R. Section 54.407(b) states that "The eligible telecommunications carrier may receive  
25 universal service support reimbursement for each qualifying low-income consumer served."

1 For each consumer receiving Lifeline service, the reimbursement amount shall equal the  
2 federal support amount, including the support amount described in §54.403(c).” (emphasis  
3 added) An ETC cannot provide Lifeline service and serve a customer without an active access  
4 line. Based on my analysis, it is my belief that VCI overstated the number of lines it actually  
5 had on the Form 497 forms by over 45,000 lines. The discrepancy between the number of  
6 lines purchased from AT&T and the number of lines claimed for reimbursement from USAC  
7 has been rapidly increasing in recent months. February 2008 line numbers show that VCI  
8 filed for reimbursement with USAC for more than nine times the number of lines as it  
9 purchased from AT&T.

10 Q. Did VCI provide Lifeline service to its Florida customers using a combination of its  
11 own facilities and resale of another carrier’s services between June 2006 and November 2006?

12 A. No. 47 C.F.R. Section 54.201(i) provides that an ETC cannot offer the services that  
13 are supported by federal universal service support mechanisms exclusively through the resale  
14 of another carrier’s services. At the time of its ETC designation petition, VCI stated that it  
15 would offer all of the supported services using a combination of its own facilities and resale of  
16 another carrier’s services. (EXH RJC-2, pg. 7, ¶14) On November 30, 2007, staff sent a data  
17 request to AT&T, VCI’s sole underlying carrier in Florida, asking for the number of access  
18 lines purchased by VCI broken down by resale and WLP lines since it became an ETC in  
19 Florida. Staff provided a subpoena to AT&T because of the confidential nature of the  
20 information. Based on AT&T’s December 14, 2007 responses, VCI did not purchase any  
21 WLP lines from June 2006 through November 2006. (Confidential EXH RJC-13) VCI  
22 operated as a strict reseller during that time and did not meet the facilities requirement and  
23 should not have received any reimbursements from USAC.

24 Q. Did VCI substantiate its claim that it provided Lifeline service to its Florida customers  
25 using a combination of its own facilities and resale of another carrier’s services between June



1 2006 and November 2006?

2 A. No. At the February 12, 2008 Agenda Conference, VCI argued that it operates within  
3 the FCC's rules and orders because it provides operator services using its own facilities, and  
4 operator services is one of the nine services supported by universal service. (EXH RJC-14,  
5 pgs. 7-8) VCI quoted the definition of a facility as contained in 47 C.F.R. Section  
6 54.201(d)(2)(e) which provides that the term *facilities* means any physical components of the  
7 telecommunications network that are used in the transmission or routing of the services that  
8 are designated for support. VCI also quoted Order FCC 97-157 which states ". . . If a carrier  
9 uses its own facilities to provide at least one of the designated services, and the carrier  
10 otherwise meets the definition of "facilities" adopted above, then the facilities requirement of  
11 section 214(e) is satisfied. For example, we conclude that a carrier could satisfy the facilities  
12 requirement by using its own facilities to provide access to operator services, while providing  
13 the remaining services designated for support through resale." (In the Matter of Federal-State  
14 Joint Board on Universal Service, released May 8, 1997, CC Docket No. 96-45, FCC 97-157,  
15 ¶169)

16 VCI's explanation is not relevant because in response to its January 16, 2008 post-  
17 audit question number one, VCI stated that it did not begin providing operator services until  
18 approximately nine months prior to the January 16, 2008 response. Their operator services,  
19 according to that timeline, would have begun around April 2007, well after the six-month  
20 period of June 2006 through November 2006, which AT&T's records show VCI was  
21 providing services strictly through resale. (Confidential EXH RJC-15)

22 ISSUE NO. 3: DID VCI CORRECTLY REPORT LINK-UP AND LIFELINE LINES ON  
23 USAC'S FORM 497 FOR REIMBURSEMENT WHILE OPERATING AS AN ETC IN  
24 FLORIDA IN ACCORDANCE WITH APPLICABLE REQUIREMENTS?

25 Q. What is a Form 497?

1 A. In order for ETCs to receive reimbursement for providing Lifeline, Link-Up, and TLS  
2 services to customers it serves using its own facilities, ETCs file what is known as Form 497  
3 with the USAC. (EXH RJC-16) If resale Lifeline lines are used to serve a customer, ETCs  
4 receive credits for Lifeline and Link-Up through the ETC's underlying ETC carrier, not  
5 through USAC using Form 497. Form 497 is divided into three categories: Lifeline, Link-Up,  
6 and TLS. ETCs enter the number of Lifeline, Link-Up, and TLS customers in each category  
7 along with the dollar amounts requested from the USAC. An officer of the ETC company is  
8 required to sign the form certifying that the data contained in the form has been examined and  
9 is true, accurate, and complete.

10 Q. Is there guidance available on how to correctly complete Form 497?

11 A. Yes, the USAC has five pages of detailed instructions on its Web site regarding  
12 completion of Form 497. <http://www.usac.org/li/telecom/step06/form497-instructions.aspx>  
13 (EXH RJC-17)

14 Q. How does USAC disburse universal service funds to ETCs?

15 A. USAC disburses low-income support payments once each month. The payment  
16 amount disbursed to each ETC is a projection that is based on the company's historical support  
17 claims for the past twelve months. USAC then performs a true-up of the amounts after  
18 receiving the ETC's Form 497.

19 Q. What is the rule regarding reimbursement for offering Lifeline?

20 A. 47 C.F.R. Section 54.407 (b) provides that "The eligible telecommunications carrier  
21 may receive universal service support reimbursement for each qualifying low-income  
22 consumer served." (emphasis added)

23 Q. Did VCI receive a \$10.00 credit per month for each resale Lifeline line purchased from  
24 AT&T?

25 A. Yes. My review of AT&T's billing shows that VCI received a \$10.00 per month

1 Lifeline credit for each Lifeline resale line purchased through AT&T. AT&T's Basic Local  
2 Exchange Service Tariff A.3.31.2(A)(12), states that "The non-discounted federal Lifeline  
3 credit amount will be passed along to resellers ordering local service at the prescribed resale  
4 discount from this Tariff, for their eligible end users." (EXH RJC-18)

5 47 C.F.R. Section 54.417 states that "If an eligible telecommunications carrier  
6 provides Lifeline discounted wholesale services to a reseller, it must obtain a certification  
7 from the reseller that it is complying with all Commission requirements governing the  
8 Lifeline/Link-Up programs." On March 20, 2007, VCI provided the required Lifeline/Link-  
9 Up Reseller Certification to AT&T, stating that it was complying with the FCC requirements  
10 and also the requirements set forth in AT&T's General Subscriber Services Tariff sections  
11 A3.31 and A4.7. (Confidential EXH RJC-19)

12 AT&T's Lifeline Assistance and Link-Up America information Web page  
13 ([http://wholesale.att.com/products\\_and\\_services/local/resale/lifeline.html](http://wholesale.att.com/products_and_services/local/resale/lifeline.html)) also addresses  
14 resale Lifeline and Link-Up credits stating that "The federal credit is passed to the Reseller on  
15 the front end of the order. AT&T will apply to the Universal Service Administration  
16 Company (USAC) for reimbursement of the federal credits associated with both programs."  
17 By signing the Resale Lifeline Certification form, VCI acknowledged that it was a reseller of  
18 Lifeline services and that it would receive a \$10.00 credit from AT&T for each Lifeline resale  
19 customer.

20 Q. Did VCI file for a \$10.00 reimbursement per month from USAC for each resale  
21 Lifeline line purchased from AT&T?

22 A. Yes. My investigation shows that VCI filed for a \$10.00 reimbursement from USAC  
23 for resale Lifeline lines purchased from AT&T. Form 497 forms filed by VCI for the periods  
24 of June 2006 through February 2008 show that VCI claimed 89,072 Lifeline lines at \$10 each  
25 for a total of \$890,725. (EXH RJC-20) During that same period, AT&T shows that VCI

1 purchased [REDACTED] resale lines and [REDACTED] WLP lines. (Confidential EXH RJC-13 and  
2 Confidential EXH RJC-23) Since VCI was receiving a \$10.00 credit from AT&T for each  
3 Lifeline resale line, it would only be eligible to file for USAC reimbursement on the [REDACTED]  
4 WLP lines it purchased during that period. VCI not only incorrectly filed for reimbursement of  
5 its resale Lifeline lines from USAC, but also overstated the number of lines it actually had by  
6 over 45,000 lines. (Confidential EXH RJC-21) The discrepancy has been rapidly increasing in  
7 recent months. February 2008 line numbers show that VCI filed for reimbursement with  
8 USAC for more than nine times the number of lines as it purchased from AT&T.

9 Q. Did VCI receive duplicate reimbursement for Lifeline customers in Florida?

10 A. Yes. My analysis of low-income funds received by VCI discovered that VCI has been,  
11 and is still, receiving double recovery by receiving a \$10.00 Lifeline credit from AT&T for  
12 each resale Lifeline customer. VCI also has been, and as of February 2008, is still filing for  
13 and receiving a \$10.00 reimbursement from the USAC for each resale Lifeline customer. My  
14 analysis reveals that VCI was overpaid \$888,197 from the USF for Lifeline customers from  
15 June 2006 through March 2008. (Confidential EXH RJC-21)

16 Q. Is VCI allowed to receive double recovery for Lifeline customers?

17 A. No. The universal service program does not allow ETCs to receive double  
18 reimbursement for Lifeline customers. The USAC Web site addressing "Audit Information"  
19 states that "Audits will seek to ensure, among other things, that an ETC has not obtained  
20 double recovery for a single household." (<http://www.usac.org/katrina/li/audit.asp>)

21 FCC Order 97-157 addresses double recovery of universal service support stating, "As  
22 previously discussed, if pure resellers could be designated eligible carriers and were entitled to  
23 receive support for providing resold services, they, in essence, would receive a double  
24 recovery of universal service support because they would recover the support incorporated  
25 into the wholesale price of the resold services in addition to receiving universal service

1 support directly from federal universal service support mechanisms. Making no finding with  
2 respect to the first two criteria, we conclude that it is neither in the public interest nor would it  
3 promote competitive market conditions to allow resellers to receive a double recovery.  
4 Indeed, allowing such a double recovery would appear to favor resellers over other carriers,  
5 which would not promote competitive market conditions. Allowing resellers a double  
6 recovery also would be inconsistent with the principle of competitive neutrality because it  
7 would provide inefficient economic signals to resellers.” (emphasis added)

8 Hurricane Katrina Order FCC 05-178 also addressed double recovery of universal  
9 support stating “We also subject all ETCs receiving this temporary support to potential audit,  
10 and we require all carriers receiving \$1 million or more of this support to undergo an audit or  
11 other investigatory review by the Commission’s Office of Inspector General (or the  
12 Administrator working under the oversight of the OIG) to verify the accuracy of all data  
13 submitted and that the support was used for intended purposes and to validate that the eligible  
14 telecommunications carrier has not obtained double-recovery from a single household. (In the  
15 Matter of Federal-State Joint Board on Universal Service, Schools and Libraries Universal  
16 Service Support Mechanism, Rural Health Care Support Mechanism, Lifeline and Link-Up,  
17 CC Docket No. 96-45, CC Docket No. 02-6, WC Docket No. 02-60, WC Docket No. 03-109,  
18 Order adopted October 14, 2005, released October 14, 2005, FCC 05-178, ¶23) (emphasis  
19 added)

20 Q. Was VCI eligible to claim any Lifeline reimbursement from USAC from June 2006  
21 through February 2008?

22 A. Yes. AT&T’s records show that VCI did not purchase any WLP lines from June 2006  
23 through November 2006. AT&T records also reflect that VCI did purchase a minimal amount  
24 of WLP lines from December 2006 through February 2008. If VCI provided Lifeline service  
25 on the WLP lines it purchased from AT&T from December 2006 through February 2008, it

1 would be allowed to claim a total of \$ [REDACTED] in Lifeline support for that period.

2 Q. How much was VCI overpaid for Lifeline support from June 2006 through March  
3 2008?

4 A. Based on my analysis, VCI was overpaid approximately \$888,197 in Lifeline support  
5 from June 2006 through March 2008. (Confidential EXH RJC-21)

6 Q. What is the universal service Link-Up program?

7 A. The universal service Link-Up program helps low-income consumers initiate telephone  
8 service by paying one-half (up to a maximum of \$30) of the initial installation fee for a  
9 traditional, wireline telephone or an activation fee for a wireless telephone. Link-Up also  
10 allows participants to pay any remaining amount on a deferred schedule, interest-free.

11 Q. Did VCI receive improper recovery of universal service Link-Up support?

12 A. Yes. VCI has a normal \$150 installation fee for initiation of service. For Lifeline  
13 customers, VCI charges a \$120 installation charge after a \$30 Link-Up credit for initiation of  
14 service. VCI allows the customers to pay this hook-up charge at \$10/month for 12 months.  
15 AT&T's tariffed connection charge is \$46.00. For resold services, AT&T's connection charge  
16 is \$35.96 (after a 21.83 percent resale discount) to VCI. Since this connection is for a Lifeline  
17 customer, AT&T passes through a credit of \$23.00 (50 percent of \$46.00) to VCI and receives  
18 reimbursement from the USAC for passing through this Link-Up credit. VCI's final cost for  
19 the resale Lifeline customer hook-up charge is \$12.96 (\$35.96-\$23.00).

20 My analysis of VCI's Link-Up charges for Lifeline customers shows that in addition to  
21 receiving a \$23.00 USF resale Link-Up credit from AT&T, VCI files for and receives a  
22 \$30.00 Link-Up reimbursement from the USAC for its resold Lifeline access lines. The  
23 maximum credit allowed by Federal rule is 50 percent of the hook-up charge or \$30,  
24 whichever is greater. (47 C.F.R. Section 54.411) VCI received double Link-Up recovery on  
25 its Link-Up resale lines by receiving a \$23 Link-Up credit from AT&T and filing for, and

1 receiving, \$30 in Link-Up monies from USAC. Based on conversations with the USAC, only  
2 one Link-Up USAC payment is allowed per phone number. (EXH RJC-9, p.5) In this case,  
3 the appropriate Link-Up credit would be \$23.00 (50 percent of the AT&T tariffed charge of  
4 \$46.00) for each resold Link-Up line. VCI cannot file with USAC for a \$30.00  
5 reimbursement or the \$7.00 difference between the \$23.00 credit and the \$30.00 maximum  
6 cap.

7 Q. Did VCI receive double recovery of Link-Up support for its customers?

8 A. Yes. Staff auditors discovered that VCI submitted 546 duplicate phone numbers to the  
9 USAC for reimbursement of Link-Up monies during the period June 1, 2006 through June 30,  
10 2007. 47 C.F.R. Section 54.411(c) provides that "A carrier's Link-Up program shall allow a  
11 consumer to receive the benefit of the Link-Up program for a second or subsequent time only  
12 for a principal place of residence with an address different from the residence address at which  
13 the Link-Up assistance was provided previously." Staff auditors discovered that VCI made  
14 duplicate claims on 546 customers with the same telephone number and address. Auditors  
15 sorted the customers by name and telephone number to discover the double claims. This  
16 discovery is further addressed in Audit Finding No. 3.

17 Q. Was VCI eligible to claim any Link-Up support from USAC from June 2006 through  
18 February 2008?

19 A. Yes. If VCI provided Lifeline service on the WLP lines purchased from AT&T from  
20 June 2006 through February 2008, it would be allowed to claim a total of \$30 for each of the  
21 WLP lines, provided the money was collected only one time per customer at each customer  
22 location. It appears that VCI had WLP lines which would allow it to claim a total of \$ [REDACTED] in  
23 Link-Up support, not \$351,180 as claimed by VCI from June 2006 through February 2008.  
24 (Confidential EXH RJC-21)

25 Q. How much was VCI overpaid for Link-Up support from June 2006 through February

1 2008?

2 A. Based on my analysis, VCI was overpaid approximately \$351,168 in universal service  
3 Link-Up support from June 2006 through February 2008. (Confidential EXH RJC-21)

4 ISSUE NO. 4(a): DOES VCI PROVIDE TOLL LIMITATION SERVICE TO  
5 LIFELINE CUSTOMERS USING ITS OWN FACILITIES?

6 Q. What is Toll Limitation Service?

7 A. Toll Limitation Service is an optional service which includes toll blocking (allows  
8 subscribers to block outgoing toll calls) and toll control (allows subscribers to limit in advance  
9 their toll usage per month or billing cycle). An ETC may not collect a service deposit in order  
10 to initiate Lifeline service if the qualifying low-income consumer voluntarily elects toll  
11 blocking. If the qualifying low-income consumer elects not to place toll blocking on the line,  
12 an eligible telecommunications carrier may charge a service deposit. Section 364.10(2)(b),  
13 Florida Statutes, provides that "An eligible telecommunications carrier shall offer a consumer  
14 who applies for or receives Lifeline service the option of blocking all toll calls or, if  
15 technically capable, placing a limit on the number of toll calls a consumer can make. The  
16 eligible telecommunications carrier may not charge the consumer an administrative charge or  
17 other additional fee for blocking the service."

18 Q. Is there guidance as to what costs can be included when determining an ETC's  
19 incremental cost of providing toll limitation?

20 A. Yes. The USAC provides guidance as to what costs can and cannot be included when  
21 determining incremental costs of TLS. The recoverable amounts are the incremental costs of  
22 providing TLS, which include costs that carriers otherwise would not incur if they did not  
23 provide TLS to a given customer. The incremental cost of TLS does not include the full retail  
24 charge for TLS that the carrier would charge other non-Lifeline consumers or the joint and  
25 common costs associated with TLS such as overhead and the cost of facilities used for both



1 TLS and non-TLS purposes. Low income support for TLS is available only for incremental  
2 costs that are associated exclusively with toll limitation service. Additional guidelines as to  
3 which costs can or cannot be included in the incremental costs of TLS can be found on the  
4 USAC's Web site. (EXH RJC-23)

5 Q. What is the federal rule regarding reimbursement of toll limitation services?

6 A. 47 C.F.R. Section 54.403 (c) provides that Lifeline support for providing toll limitation  
7 shall equal the eligible telecommunications carrier's incremental cost of providing either toll  
8 blocking or toll control, whichever is selected by the particular consumer. By definition,  
9 incremental costs include the costs that carriers otherwise would not incur if they did not  
10 provide toll-limitation service to a given customer, and carriers will be compensated for their  
11 costs in providing such service. (FCC 97-157, ¶386) Incremental costs do not include  
12 overhead and costs for services or equipment used for non-toll limitation services.

13 Q. Does AT&T provide toll limitation service to VCI?

14 A. Yes. AT&T provides toll limitation service at no charge to VCI for its Lifeline  
15 customers. (Confidential EXH RJC-13, Item No. 1) In turn, AT&T bills USAC for the cost of  
16 providing the toll limitation service to VCI. (Confidential EXH RJC-13, Item No. 3)

17 Q. Does VCI provide toll limitation services to Lifeline customers using its own  
18 facilities?

19 A. No. VCI does not provide toll limitation service to its Lifeline customers using its own  
20 facilities. In VCI's February 17, 2006 petition for ETC status in Florida, it stated that it will  
21 provide the toll limitation service that AT&T has the technological capacity to provide. (RJC-  
22 2, Pg. 10, ¶16) The USAC disbursement records show that VCI has received \$241,001 in TLS  
23 reimbursement from the USF from June 2006 through March 2008. (EXH RJC-4)

24 When VCI was questioned about claiming the incremental cost of providing TLS from  
25 the USAC, VCI stated that AT&T's toll-blocking has "leaks" and that it had to develop its

1 own TLS system, in addition to using AT&T's toll blocking, to plug the "leaks." VCI stated  
2 that customers would incur toll costs by dialing 411 or the operator. A subsequent inquiry by  
3 staff to AT&T shows that VCI customers are unable to dial 411 or the operator using AT&T's  
4 toll-blocking service. VCI claimed customers could dial around and incur toll charges. When  
5 asked how VCI Lifeline customers can dial 411 with toll-blocking on their line, it replied by  
6 using a 1-800 number to VCI's offices to get a VCI operator for directory assistance. Dialing  
7 a 1-800 toll-free number does not "create a leak" in AT&T's toll-blocking service as asserted  
8 by VCI, but only creates an avenue for VCI to charge for 411 or operator services using VCI  
9 operators.

10 During the January 9, 2008 conference call with VCI, staff asked VCI to provide a  
11 detailed breakdown of VCI's incremental cost showing recurring and non-recurring costs  
12 incurred to provide TLS service to Lifeline customers. VCI filed its response on January 16,  
13 2008, providing a listing of equipment and costs to provide TLS service to Lifeline customers.  
14 (Confidential EXH RJC-15) Since the equipment and services listed by VCI could also be  
15 used for purposes other than TLS, and TLS reimbursement is only allowed on equipment and  
16 services used exclusively for TLS, the TLS costs claimed by VCI are not reimbursable from  
17 the USAC through the TLS program. In addition, since AT&T is providing toll limitation  
18 service at no cost to VCI for VCI's Lifeline customers, and AT&T is being reimbursed for the  
19 cost of that provided service from USAC, having VCI file for TLS reimbursement creates  
20 double reimbursement for providing TLS service to each Lifeline customer.

21 Since AT&T provides TLS service to VCI at no charge, VCI does not incur any  
22 incremental cost for providing TLS to its Lifeline customers.

23 Q. How much was VCI overpaid for toll limitation service support from June 2006  
24 through March 2008?

25 A. Based on my analysis, VCI was overpaid approximately \$241,001 (all TLS

1 disbursements from USAC) in universal service toll limitation service support from June 2006  
2 through March 2008. (Confidential EXH RJC-21)

3 ISSUE NO. 4(b): IF SO, IS VCI ENTITLED TO OBTAIN REIMBURSEMENT FOR  
4 INCREMENTAL COSTS OF TLS?

5 (This Issue will be addressed in staff's post-hearing brief.)

6 ISSUE NO. 4(c): IF YES, WHAT IS THE APPROPRIATE AMOUNT OF  
7 REIMBURSEMENT?

8 (This Issue will be addressed in staff's post-hearing brief.)

9 ISSUE NO. 5: WERE LATE PAYMENT CHARGES CORRECTLY APPLIED TO VCI  
10 FLORIDA CUSTOMER'S BILLS?

11 Q. How did the inquiry into VCI's late payment charges begin?

12 A. A review of the 130 sample VCI invoices provided in staff's audit showed that every  
13 customer was paying a \$10 late fee. Staff asked VCI how all 130 customers in the random  
14 sample could have paid their bill late. VCI replied that it was a coincidence. During staff's  
15 calls to verify the VCI customers, one customer stated that VCI's payment was automatically  
16 paid from his checking account, and it still showed a late payment on his invoice. (EXH RJC-  
17 14, pgs. 43-44)

18 Although 130 late payment charges were found on the 130 random sample bills  
19 provided to staff during the audit, a final determination of this issue cannot be accomplished  
20 until VCI responds to staff's first set of interrogatories and production of documents (PODs).  
21 Staff requested copies of all monthly bills for each VCI Florida customer since becoming an  
22 ETC in Florida. Staff also asked for the date payment was made for each bill, and if payment  
23 was not received, the disconnection date of that customer. Because of the possible  
24 voluminous response needed for this data request, VCI was provided advance notice at the  
25 March 13, 2008 Issue Identification that these requests would be included in staff's discovery.

1 VCI's discovery responses are not due until April 15, 2008, after the April 10, 2008  
2 filing date of this testimony. (EXH RJC-11) Staff will analyze VCI's responses regarding late  
3 payment charges and provide a determination if the late charges were correctly applied after  
4 staff's review of VCI's responses.

5 ISSUE NO. 6: WHAT IS THE APPROPRIATE REFUND AMOUNT FOR E-911  
6 CUSTOMER OVERBILLING?

7 Q. Did VCI overbill its Florida customers for the E-911 surcharge?

8 A. Yes. During the review of VCI's Link-Up and Lifeline procedures, while analyzing  
9 the 130 random sample monthly bills provided by VCI, I discovered that VCI was billing each  
10 of its customers \$0.75 per month for an E-911 fee. The maximum monthly E-911 fee set by  
11 Florida law is \$0.50, with some counties having E-911 monthly fees lower than \$0.50. Duval  
12 and Lee Counties charge \$0.44 per month; Pasco County charges \$0.40 per month; and  
13 Volusia County charges \$0.41 per month. (EXH RJC-25)

14 During the January 9, 2008 conference call with VCI, I advised them of the maximum  
15 E-911 fee allowed in Florida and the fact that some of the random sample monthly bills  
16 included customers who were located in counties which have an E-911 fee less than the  
17 maximum \$0.50 monthly fee. I then requested that VCI provide a worksheet showing the total  
18 amount of E-911 overcharges, along with its proposed plan for refunding the excess fees to  
19 current and former customers.

20 VCI has admitted the overbilling and provided staff with a list of customer E-911  
21 overcharges in response to staff post-audit question No. 3. (Confidential EXH RJC-15) VCI  
22 indicated that it would refund any confirmed excess E-911 fees collected.

23 Q. What is the Florida law regarding the amount of E-911 charge that may be charged to  
24 each customer?

25 A. Section 365.172(8)(3)(f), Florida Statutes, provides that "The rate of the fee shall be

1 set by the board after considering the factors set forth in paragraphs (h) and (i), but may not  
2 exceed 50 cents per month per each service identifier. The fee shall apply uniformly and be  
3 imposed throughout the state, except for those counties that, before July 1, 2007, had adopted  
4 an ordinance or resolution establishing a fee less than 50 cents per month per access line. In  
5 those counties the fee established by ordinance may be changed only to the uniform statewide  
6 rate no sooner than 30 days after notification is made by the county's board of county  
7 Commissioners to the board." (emphasis added)

8 Q. Does the VCI worksheet showing E-911 overcharges provided to staff on January 16,  
9 2008, correctly reflect all E-911 overcharges to Florida customers?

10 A. On January 16, 2008, VCI provided staff with a worksheet showing E-911  
11 overcharges and its proposed plan for refunds. However, the worksheet showed almost  
12 60,000 fewer access lines than VCI claimed for Lifeline reimbursement from the USAC. VCI  
13 explained that the difference is because VCI is not required to pay the E-911 fee unless it is  
14 collected by them. In other words, the 60,000 access line difference is supposedly because  
15 customers did not pay those monthly bills.

16 Since Section 365.172(8)(a)(3), Florida Statutes, provides that a carrier shall remit the  
17 E-911 fee only if the fee is paid by the subscriber, a final determination of E-911 overcharges  
18 by VCI cannot be accomplished until VCI responds to staff's first set of interrogatories and  
19 PODs sent on March 31, 2008. After receipt of VCI's responses, staff will analyze VCI's  
20 monthly bills for E-911 charges and payments to determine if all E-911 overcharges were  
21 included in VCI's January 16, 2008 spreadsheet.

22 ISSUE NO. 7: DOES THE PSC HAVE THE AUTHORITY TO ENFORCE AN FCC  
23 STATUTE, RULE, OR ORDER PERTAINING TO ETC STATUS, LIFELINE, AND LINK-  
24 UP SERVICE?

25 Q. Can the PSC enforce an FCC statute, rule, or order pertaining to ETC status, Lifeline,

1 and Link-Up service?

2 A. Yes. The PSC has authority to enforce any FCC statute, rule, or order pertaining to  
3 ETC status, Lifeline, and Link-Up service as long as the action is not inconsistent with the  
4 authority set forth by Congress and the FCC.

5 The FCC has stated that states exercising jurisdiction over ETC proceedings should  
6 apply requirements in a manner that will best promote the universal service goals found in  
7 Section 254(b) of the Telecommunications Act of 1996 (Act). (In the Matter of Federal-State  
8 Joint Board on Universal Service, CC Docket No. 96-45, adopted February 25, 2005, released  
9 March 17, 2006, Report and Order FCC 05-46, ¶160) Section 254(b) of the Act includes the  
10 protection of the public interest, convenience, and necessity.

11 Section 254(f) of the Act provides that “A State may adopt regulations not inconsistent  
12 with the Commission's rules to preserve and advance universal service. Every  
13 telecommunications carrier that provides intrastate telecommunications services shall  
14 contribute, on an equitable and nondiscriminatory basis, in a manner determined by the State  
15 to the preservation and advancement of universal service in that State. A State may adopt  
16 regulations to provide for additional definitions and standards to preserve and advance  
17 universal service within that State only to the extent that such regulations adopt additional  
18 specific, predictable, and sufficient mechanisms to support such definitions or standards that  
19 do not rely on or burden Federal universal service support mechanisms.”

20 Section 253(b) of the Act, addressing barriers to entry, provides that “nothing in this  
21 section shall affect the ability of a State to impose, on a competitively neutral basis and  
22 consistent with section 254, requirements necessary to preserve and advance universal service,  
23 protect the public safety and welfare, ensure the continued quality of telecommunications  
24 services, and safeguard the rights of consumers.”

25 A United States Court of Appeals Tenth Circuit decision released June 5, 2007,

1 provides that “It is clear that states have authority under the Telecommunications Act to adopt  
2 their own universal service standards and create funding mechanisms sufficient to support  
3 those standards, as long as the standards are not inconsistent with the FCC’s rules, and as long  
4 as the state program does not burden the federal program. 47 U.S.C. §354(f). Moreover,  
5 states are given primary responsibility for deciding which carriers qualify as ETCs to be  
6 eligible for subsidies from the universal service fund.” *WWC Holding v. Sopkin* 488 F. 2d  
7 1262 (10<sup>th</sup> Cir 2007).

8       The Tenth Circuit decision continued by stating that “For regulation aimed at  
9 promoting universal service, Section 254(f) provides a hierarchy in which states cannot  
10 conflict with the federal universal services program, but states are clearly authorized to build  
11 upon the federal program to support universal service. See *Qwest Corp. v. FCC*, 258 F.3d  
12 1191, 1203 (10th Cir. 2001). (“The Telecommunications Act plainly contemplates a  
13 partnership between the federal and state governments to support universal service. . . . Thus,  
14 it is appropriate – even necessary – for the FCC to rely on state action in this area.”) (emphasis  
15 added)

16       In FCC 03-249, the FCC noted the necessary partnership between the FCC and states  
17 regarding universal service: “...the *Qwest* court recognized that state action is an integral part  
18 of achieving the Act’s universal service goals, and expressly held that the Commission could  
19 not simply provide support without also providing an inducement for state action. Where state  
20 action is necessary to achieve the Act’s goals—such as the reasonable comparability of  
21 rates—the Commission has an obligation to ensure that states fulfill their part of the federal-  
22 state partnership.” (In the Matter of Federal-State Joint Board on Universal Service, CC  
23 Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and  
24 Memorandum Opinion and Order, adopted October 16, 2003, released October 27, 2003, FCC  
25 03-249, ¶96) (emphasis added)

1 The Florida legislature has also acknowledged the need for the PSC to be able to  
2 implement sections of the Telecommunications Act. By Section 120.80(13)(d), Florida  
3 Statutes, the Florida legislature has authorized the PSC to oversee implementation of the Act  
4 by employing procedures consistent with that Act.

5 The PSC has previously concluded that this Commission has jurisdiction over  
6 universal service issues pursuant to Chapter 364, Florida Statutes, and specifically, Section  
7 364.025, Florida Statutes. (Order No. PSC-95-1592-FOF-TP, issued December 27, 1995,  
8 Docket No. 950696-TP, In Re: Determination of funding for universal service and carrier of  
9 last resort responsibilities, p. 37)

10 ISSUE NO. 8(a): HAS VCI VIOLATED ANY FCC STATUTE, RULE, OR ORDER  
11 PERTAINING TO ETC STATUS, OR LIFELINE AND LINK-UP SERVICE?

12 Q. What FCC statutes, rules, and orders pertaining to ETC status, or Lifeline and Link-Up  
13 service has VCI violated?

14 A. Although I am not an attorney, based on my analysis, VCI has violated the following  
15 FCC statutes, rules, and orders pertaining to ETC status, Lifeline, and Link-Up service:

16 47 C.F.R. Section 54.7 provides that "A carrier that receives federal universal service  
17 support shall use that support only for the provision, maintenance, and upgrading of facilities  
18 and services for which the support is intended." Receiving double compensation as VCI has  
19 for Lifeline and Link-Up lines is not what universal support is intended for.

20 47 C.F.R. Section 54.201(i) provides that an ETC cannot offer the services that are  
21 supported by federal universal service support mechanisms exclusively through the resale of  
22 another carrier's services. At the time of its ETC designation petition, VCI stated that it  
23 would offer all of the supported services using a combination of its own facilities and resale of  
24 another carrier's services. My investigation showed that VCI provided service to Lifeline  
25 customers exclusively through Lifeline resale from June 2006 through November 2006 in



1 violation of 47 C.F.R. Section 54.201(i).

2       47 C.F.R. Section 54.403(a) provides that the federal Lifeline support amount for all  
3 eligible telecommunications carriers shall equal the sum of Tier One, Tier Two, Tier Three,  
4 and Tier Four support, if appropriate. Tier One support is a \$6.50 monthly credit for the  
5 federal subscriber line charge. Tier Two support is a monthly \$1.75 credit available to states  
6 which have approved the credit, which includes Florida. Tier Three support is one-half of the  
7 amount of additional state support up to a maximum of \$1.75 in federal support. Since Florida  
8 ETCs provide a \$3.50 credit to Lifeline customers' bills, the additional \$1.75 credit would  
9 apply in Florida. Tier Four support only applies to eligible subscribers living on tribal lands.  
10 In its October 9, 2007 responses to staff's annual Lifeline and Link-Up data request sent to all  
11 ETCs, VCI stated that it has no Tier Four customers which this credit would apply to. (EXH  
12 RJC-22) VCI is eligible to receive only one \$10.00 Lifeline credit or reimbursement per  
13 month per Lifeline customer based on Tier One, Tier Two, and Tier Three support. VCI has  
14 been receiving \$20/month for each of its Lifeline customers in violation of 47 C.F.R. Section  
15 54.403. Based on information obtained from AT&T regarding the number of resale and WLP  
16 lines purchased by VCI, I believe that VCI has also been claiming non-existent access lines in  
17 the thousands on its Form 497s filed with USAC.

18       47 C.F.R. Section 54.403(c) provides that "Lifeline support for providing toll  
19 limitation shall equal the eligible telecommunications carrier's incremental cost of providing  
20 either toll blocking or toll control, whichever is selected by the particular consumer." The  
21 equipment and services listed by VCI and asserted to be used exclusively for TLS could also  
22 be used for purposes other than TLS. Since TLS reimbursement is only allowed on equipment  
23 and services used exclusively for TLS, the TLS cost claimed by VCI is not reimbursable from  
24 the USAC through the TLS program. At VCI's request through ordering USOCs, it receives  
25 AT&T's TLS at no charge. In addition, since AT&T is providing TLS at no cost to VCI for

1 VCI's Lifeline customers, and AT&T is being reimbursed for the cost of that provided service  
2 from USAC, having VCI also file for TLS reimbursement creates double reimbursement for  
3 providing TLS service to each Lifeline customer.

4 Since AT&T does not charge VCI for its toll-blocking service for Lifeline customers,  
5 VCI does not incur any incremental cost for providing TLS to its Lifeline customers. VCI has  
6 filed for and received TLS support based on equipment and services which can be used for  
7 other purposes besides TLS in violation of 47 C.F.R. Section 54.403(c).

8 47 C.F.R. Section 54.407(b) states that "The eligible telecommunications carrier may  
9 receive universal service support reimbursement for each qualifying low-income consumer  
10 served. For each consumer receiving Lifeline service, the reimbursement amount shall equal  
11 the federal support amount, including the support amount described in §54.403(c). The  
12 eligible telecommunications carrier's universal service support reimbursement shall not  
13 exceed the carrier's standard, non-Lifeline rate." VCI violated 47 C.F.R. Section 54.407(b) by  
14 repeatedly receiving duplicate Lifeline reimbursement for its Florida Lifeline customers.

15 47 C.F.R. Section 54.407(c) states that "In order to receive universal service support  
16 reimbursement, the eligible telecommunications carrier must keep accurate records of the  
17 revenues it forgoes in providing Lifeline in conformity with §54.401. Such records shall be  
18 kept in the form directed by the Administrator and provided to the Administrator at intervals  
19 as directed by the Administrator or as provided in this Subpart." VCI failed to maintain  
20 accurate records of revenues it was forgoing and violated 47 C.F.R. Section 54.407(b) by  
21 filing inaccurate Form 497s with USAC for its Lifeline support in Florida. The Form 497  
22 forms filed by VCI included resale Lifeline and Link-Up lines which were already being  
23 provided a credit through AT&T, and TLS charges for ineligible equipment and services. As  
24 mentioned above, I also believe that VCI has claimed non-existent customer lines in the  
25 thousands on its Form 497s filed with USAC.

1           47 C.F.R. Section 54.411(a) describes Link-Up as “A reduction in the carrier’s  
2 customary charge for commencing telecommunications service for a single  
3 telecommunications connection at a consumer’s principal place of residence.” VCI violated  
4 47 C.F.R. Section 54.411(a) by receiving duplicate Link-Up reimbursement from USAC for  
5 546 customers. To my knowledge, VCI has still not corrected this after bringing it to their  
6 attention.

7           47 C.F.R. Section 54.411(c) provides that “A carrier’s Link-Up program shall allow a  
8 consumer to receive the benefit of the Link-Up program for a second or subsequent time only  
9 for a principal place of residence with an address different from the residence address at which  
10 the Link-Up assistance was provided previously.” In the staff audit for the thirteen-month  
11 period ending June 30, 2007, staff auditors reviewed the phone numbers reported on the  
12 subscribers listings for the Link-Up program. As stated in Audit Finding No. 3, the auditors  
13 found 546 duplications of VCI claiming universal service Link-Up support for customers at  
14 the same residence with the same phone number in violation of 47 C.F.R. Section 54.411(c).

15           47 C.F.R. Section 54.413(a) provides that “Eligible telecommunications carriers may  
16 receive universal service support reimbursement for the revenue they forgo in reducing their  
17 customary charge for commencing telecommunications service and for providing a deferred  
18 schedule for payment of the charges assessed for commencing service for which the consumer  
19 does not pay interest, in conformity with § 54.411.” VCI violated 47 C.F.R. Section 54.413(a)  
20 by repeatedly receiving duplicate Link-Up recovery for its Florida Lifeline customers. It  
21 received a \$23 credit from AT&T for Link-Up and also filed for, and received a \$30  
22 reimbursement from USAC.

23           47 C.F.R. Section 54.413(b) states that “In order to receive universal service support  
24 reimbursement for providing Link-Up, eligible telecommunications carriers must keep  
25 accurate records of the revenues they forgo in reducing their customary charge for

1 commencing telecommunications service and for providing a deferred schedule for payment  
2 of the charges assessed for commencing service for which the consumer does not pay interest,  
3 in conformity with §54.411. Such records shall be kept in the form directed by the  
4 Administrator and provided to the Administrator at intervals as directed by the Administrator  
5 or as provided in this subpart. The forgone revenues for which the eligible  
6 telecommunications carrier may receive reimbursement shall include only the difference  
7 between the carrier's customary connection or interest charges and the charges actually  
8 assessed to the participating low-income consumer." VCI failed to maintain accurate records  
9 of revenues it was forgoing and violated 47 C.F.R. Section 54.413(b) by filing inaccurate  
10 Form 497s with USAC for its Link-Up support in Florida.

11 47 C.F.R. Section 54.417(a) states that "Eligible telecommunications carriers must  
12 maintain records to document compliance with all Commission and state requirements  
13 governing the Lifeline/Link-Up programs for the three full preceding calendar years and  
14 provide that documentation to the Commission or Administrator upon request." Audit finding  
15 No. 1 of Audit Control No. 07-250-1-2, for the thirteen-month period ending June 30, 2007,  
16 identifies instances where the PSC auditor could not reconcile VCI's revenues to VCI's  
17 general ledger because of inadequate documentation. The auditor requested an explanation  
18 but did not receive one for the discrepancy between the general ledger amounts and the  
19 amounts reported on Form 497 for universal support reimbursement. Audit staff also  
20 attempted to reconcile revenues reported on VCI's Florida Regulatory Assessment Fee return  
21 filed with the Commission for 2006. VCI was not able to provide the documents to support  
22 the revenue recorded on the Regulatory Assessment Fee form. VCI violated 47 C.F.R.  
23 Section 54.417(a) by not being able to provide supporting documentation regarding revenues,  
24 and expenses.

25 Order FCC 97-157 states that qualifying Lifeline subscribers may receive assistance

1 for a single telephone line in their principal residence. (Order FCC 97-157, ¶341) An ETC  
2 may only receive support based on the number of qualifying low-income consumers it serves.  
3 If the ETC serves a single telephone line in the customer's principal residence, it is only  
4 eligible to receive support for a single telephone line for that customer. VCI is in violation of  
5 FCC 97-157 for receiving double reimbursements of Lifeline and Link-Up for its Florida  
6 customers.

7 Order FCC 04-87 states that "Lifeline provides low-income consumers with discounts  
8 of up to \$10.00 off of the monthly cost of telephone service for a single telephone line in their  
9 principal residence." (In the Matter of Lifeline and Link-Up, WC Docket No. 03-109, adopted  
10 April 2, 2004, released April 29, 2004, Report and Order and Further Notice of Proposed  
11 Rulemaking, FCC 04-87, ¶4) VCI is also in violation of FCC 04-87 for receiving double  
12 reimbursements of Lifeline and Link-Up for its Florida customers.

13 ISSUE NO. 8(b): IF SO, WHAT IS THE APPROPRIATE REMEDY OR ENFORCEMENT  
14 MEASURE, IF ANY?

15 (This Issue will be addressed in staff's post-hearing brief.)

16 ISSUE NO. 9(a): HAS VCI VIOLATED ANY PSC RULE OR ORDER APPLICABLE TO  
17 VCI PERTAINING TO ETC STATUS OR LIFELINE AND LINK-UP SERVICE?

18 Q. Are state Commissions required to issue rules and regulations regarding the conditions  
19 that are imposed on a carrier seeking ETC designation?

20 A. No. A recent Tenth Circuit United States Court of Appeals decision provides that  
21 Section 214(e) of the Telecommunications Act governs ETC designations and does not require  
22 state Commissions to issue rules and regulations regarding the conditions that are imposed on  
23 a carrier seeking ETC designation. *WWC Holding v. Sopkin* 488 F. 2d 1262 (10<sup>th</sup> Cir 2007).  
24 The decision noted another Tenth Circuit case which stated that "The Telecommunications  
25 Act plainly contemplates a partnership between the federal and state governments to support

1 universal service . . . Thus it is appropriate – even necessary – for the FCC to rely on state  
2 action in this area.” (Qwest Corp. v. FCC. 258 F. 3d 1191, 1203, 10<sup>th</sup> Cir. 2001)

3 Q. Has VCI violated any PSC rule or order applicable to VCI pertaining to ETC status or  
4 Lifeline and Link-Up service?

5 A. Yes. Although I am not an attorney, based on my analysis, VCI has violated the  
6 following PSC orders applicable to VCI’s ETC status or Lifeline and Link-Up service in  
7 Florida.

8 By Order PSC-06-0035-PAA-TX, issued January 10, 2006, the PSC granted Vilaire  
9 Communications CLEC certificate No. 8611. (EXH RJC-1) The granting of the certificate  
10 was based on Vilaire having sufficient technical, financial, and managerial capability to  
11 provide local exchange service in Florida. Based on my investigation which discovered  
12 double recovery being received for Lifeline and Link-Up, improper filings for TLS support,  
13 overbilling of E-911 fees, possible improper billing of late payment charges, erroneous  
14 information contained on monthly customer billing, business telephone numbers receiving  
15 Lifeline credits, and lack of support to reconcile revenues to Form 497 and the PSC’s  
16 regulatory assessment fee return, I believe that Vilaire has demonstrated it doesn’t have the  
17 technical or managerial capability to provide CLEC service and is in violation of Order PSC-  
18 06-0035-PAA-TX.

19 Order PSC-06-0035-PAA-TX also states that CLEC providers are required to comply  
20 with all applicable provisions of Chapter 364, Florida Statutes. Section 364.10(1), Florida  
21 Statutes, states that “A telecommunications company may not make or give any undue or  
22 unreasonable preference or advantage to any person or locality or subject any particular person  
23 or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.”  
24 This section prohibits VCI from giving “any undue or unreasonable preference or advantage to  
25 any person or locality,” which includes VCI. VCI used its position as an ETC as an advantage

1 to receive double recovery from the universal service fund by receiving credits from AT&T,  
2 then filing for and receiving monies from the USAC for the same Lifeline and Link-Up lines.  
3 This misuse of the USF is an undue and unreasonable advantage taken by VCI in violation of  
4 Section 364.10(1), Florida Statutes.

5 Section 364.604(2), Florida Statutes, provides that " A customer shall not be liable for  
6 any charges for telecommunications or information services that the customer did not order or  
7 that were not provided to the customer." VCI has admitted that it billed its customers  
8 improper E-911 fees. VCI is in violation of Section 364.604(2), Florida Statutes, for billing  
9 improper E-911 charges.

10 VCI may also have violated Section 364.604(2), Florida Statutes, by billing customers  
11 improper late fees. That issue will be determined after staff receives VCI's responses to its  
12 first set of interrogatories and production of documents. Since those responses are not due  
13 until April 15, 2008, and this testimony is being filed April 10, 2008, I cannot include a final  
14 determination on VCI's late fees at this time.

15 VCI may also have violated Section 364.336, Florida Statutes, which provides that  
16 each telecommunications company must pay a regulatory assessment fee to the PSC not to  
17 exceed 0.25 percent of its intrastate gross operating revenues. The current regulatory  
18 assessment fee for telecommunications companies per Rule 25-4.0161, Florida Administrative  
19 Code, is 0.20 percent. Audit staff was unable to verify revenues included on VCI's 2006  
20 regulatory assessment fee return because VCI did not provide supporting documents as  
21 requested by the auditor. Staff will be examining VCI's responses to staff's first set of  
22 interrogatories and production of documents in an attempt to determine if regulatory  
23 assessment fees were correctly calculated and submitted.

24 Order No. PSC-06-0436-PAA-TX, issued May 22, 2006, in Docket No. 060144-TX,  
25 granted VCI ETC status in Florida. Page two of that order states, "Vilaire has indicated that it

1 has the ability to provide services utilizing a combination of facilities obtained through a  
2 commercial facilities agreement and resale services provided by AT&T.” ETC status was  
3 granted to VCI based on VCI’s statement contained in its original ETC petition that “Vilaire  
4 Communications, Inc., will offer all of the supported services enumerated under §254(c) using  
5 a combination of its ‘own facilities’ and resale of another carrier’s services.” (EXH RJC-2, pg.  
6 7, ¶14) From June 2006 through November 2006, VCI provided the services strictly through  
7 resale in violation of PSC-06-0436-PAA-TX.

8 Page four of Order PSC-06-0436-PAA-TX states, “Vilaire has acknowledged the  
9 requirements of the Florida Lifeline program and has agreed to adhere to the program which  
10 provides qualified customers a total of \$13.50 in Lifeline assistance credits consisting of:  
11 \$6.50 in federal subscriber line charges, \$1.75 in federal support for states that have approved  
12 the credit, and \$1.75 which is a 50% match of federal support for having a state lifeline  
13 program requiring a \$3.50 credit under the Florida eligibility criteria.” The Florida Lifeline  
14 program includes provisions for an ETC to receive a \$10.00/month reimbursement or credit  
15 for each Lifeline customer, not \$20.00/month through double recovery as VCI has done. VCI  
16 is not adhering to the Florida Lifeline program and is in violation of PSC-06-0436-PAA-TX.

17 Also on page four of Order PSC-06-0436-PAA-TX, the Commission acknowledged  
18 that VCI indicated that it would abide by all Florida Statutes, Rules, and Commission Orders  
19 regarding ETCs. This acknowledgement was made as a result of VCI’s response to staff’s  
20 March 10, 2006 data request stating “Vilaire will comply with all applicable Commission  
21 rules and regulations as well as all applicable Florida laws.” (EXH RJC-12, No. 20) VCI is  
22 not abiding by all Florida Statutes, Rules, and Commission Orders.

23 ISSUE NO. 9(b): IF SO, WHAT IS THE APPROPRIATE REMEDY?

24 (This Issue will be addressed in staff’s post-hearing brief.)

25 ISSUE 10(a): DOES THE COMMISSION HAVE AUTHORITY TO RESCIND VCI’S ETC



1 STATUS IN THE STATE OF FLORIDA?

2 (This Issue will be addressed in staff's post-hearing brief.)

3 ISSUE 10(b): IF SO, IS IT IN THE PUBLIC INTEREST, CONVENIENCE, AND  
4 NECESSITY FOR VCI TO MAINTAIN ETC STATUS IN THE STATE OF FLORIDA?

5 Q. Should VCI maintain its ETC designation status in the state of Florida?

6 A. No. It is not in the public interest, convenience, and necessity for VCI to maintain its  
7 ETC status in the state of Florida. Federal law provides that state Commission ETC  
8 designations must be consistent with the public interest, convenience, and necessity. (47  
9 C.F.R. Section 54.201(c)) Staff's analysis indicates that VCI has been receiving USAC  
10 payments for Florida Link-Up and Lifeline customers and also receiving credits from AT&T  
11 for the same Link-Up and Lifeline customers. (Confidential EXH RJC-21) VCI has  
12 consistently overstated the number of access lines eligible for reimbursement from the USAC.  
13 Based on access line information obtained by subpoena from AT&T, VCI has been reporting  
14 ineligible resale Lifeline access lines and non-existent access lines in the thousands for which  
15 it received reimbursement from the USAC.

16 VCI has received a \$10 monthly credit for Lifeline customers from AT&T and also  
17 filed for and received a \$10 Lifeline payment from the USF fund for each resale Lifeline  
18 customer. VCI has been receiving a \$23.00 resale Link-Up credit from AT&T and has also  
19 been filing for and received a \$30 Link-Up reimbursement for the same customers. VCI has  
20 filed for and received reimbursement for incremental costs of providing TLS when VCI did  
21 not incur any TLS incremental costs.

22 Based on my analysis, VCI was overpaid approximately \$1,480,366 in Florida through  
23 the Link-Up, Lifeline, and TLS programs from August 2006 through March 2008.  
24 (Confidential EXH RJC-21) I believe because of VCI's misuse of the Federal Universal  
25 Service Fund, it is no longer in the public interest to allow VCI to retain ETC designation in

1 Florida.

2 Q. What is the effect on Florida consumers of the \$1,480,366 in universal service funds  
3 received by VCI through misrepresentations made to USAC?

4 A. Based on the most recent data provided by the FCC in the 2007 Universal Service  
5 Monitoring Report, Florida consumers contributed 7.00 percent of all contributions provided  
6 to the federal universal service fund in 2006 (Table 1.12). Florida was the largest net  
7 contributor to the federal universal service fund for 2006, contributing \$469,930,000 to the  
8 fund and receiving just \$152,423,000 from the fund. For the low-income program, it is  
9 estimated that Florida contributed \$57,425,000 into the federal universal service fund and  
10 received only \$17,752,000 from the fund in 2006. By calculating 7.00 percent of \$1,480,366,  
11 it is reasonable to estimate that Florida consumers paid approximately \$103,626 of the  
12 universal service fund disbursements made to VCI through its misrepresentations and  
13 incorrect data provided to USAC.

14 ISSUE NO. 11(a): HAS VCI WILLFULLY VIOLATED ANY LAWFUL RULE OR  
15 ORDER OF THE COMMISSION, OR PROVISION OF CHAPTER 364?

16 (This Issue will be addressed in staff's post-hearing brief.)

17 ISSUE NO. 11(b): IF SO, SHOULD VCI'S COMPETITIVE LOCAL EXCHANGE  
18 COMPANY CERTIFICATE BE CANCELLED?

19 Q. Under what conditions can the PSC cancel a competitive local exchange company  
20 certificate?

21 A. Rule 25-24.572(1), Florida Administrative Code provides that the Commission may  
22 cancel a company's certificate for violation of the terms and conditions under which the  
23 authority was originally granted, violation of Commission rules or orders, or violation of  
24 Florida Statutes.

25 Q. Should the Commission cancel Vilaire Communications, Inc.'s Competitive Local

1 Exchange Company Certificate No. 8611 for its demonstrated lack of technical, financial, and  
2 managerial capability to operate a telecommunications company in Florida?

3 A. Yes. Vilaire Communications, Inc. was granted Certificate No. 8611 to provide CLEC  
4 service in Florida on January 10, 2006. (EXH RJC-1) In that Order, the Commission noted  
5 that it appeared that Vilaire had sufficient technical, financial, and managerial capability to  
6 provide such service. Based on my investigation which discovered double compensation  
7 being received for Lifeline and Link-Up, improper filings for TLS support, overbilling of E-  
8 911 fees, possible improper billing of late payment charges, erroneous information contained  
9 on monthly customer billing, business telephone numbers receiving Lifeline credits, lack of  
10 support to reconcile revenues to Form 497 and the PSC's regulatory assessment fee return, and  
11 possible other improprieties which may be uncovered by staff's interrogatories and PODs, I  
12 believe that Vilaire no longer has the technical, financial, and managerial capability to provide  
13 CLEC service in the state of Florida. It has violated the terms and conditions upon which its  
14 CLEC certificate was granted, and has violated Commission rules and orders. In accordance  
15 with Rule 25-24.572(1), Florida Administrative Code, Vilaire Communications, Inc.'s CLEC  
16 Certificate No. 8611 should be cancelled for its demonstrated lack of technical, financial, and  
17 managerial capability to operate a telecommunications company in Florida.

18 Q. Should VCI continue to have an obligation to pay the applicable regulatory assessment  
19 fees (RAFs) ?

20 A. Yes. If VCI's certificate 8611 is cancelled, VCI should continue to have an obligation  
21 to pay the applicable regulatory RAFs until the date the certificate is cancelled. If VCI's  
22 certificate is cancelled and the company does not pay its RAFs, the collection of the RAFs  
23 should be referred to the Florida Department of Financial Services, for further collection  
24 efforts.

25 Q. Should VCI refund E-911 overcharges to its customers?

1 A. Yes. VCI should refund E-911 overcharges within ninety days of the final  
2 Commission Order in accordance with Rule 25-4.114, Florida Administrative Code. In  
3 addition, a preliminary refund report should be made within 30 days after the date the refund  
4 is completed and again 90 days thereafter. A final report should be made after all  
5 administrative aspects of the refund are completed. Unclaimed refunds and refunds less than  
6 one dollar should be remitted to this Commission for deposit in the State of Florida General  
7 Revenue Fund.

8 Q. Does this conclude your testimony?

9 A. Yes.

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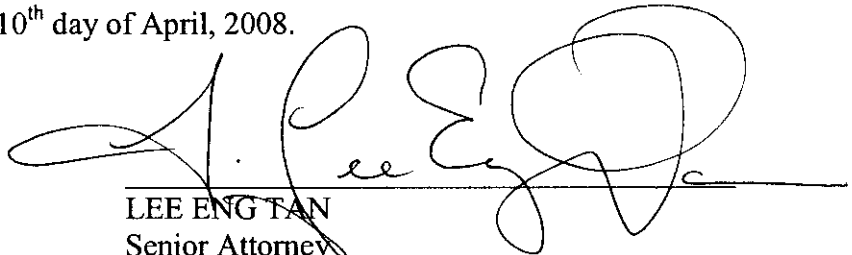
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida.	DOCKET NO. 080065-TX DATED: APRIL 10, 2008
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the DIRECT TESTIMONY OF ROBERT J. CASEY has been served by U.S. Mail to Beth Keating, Akerman Senterfitt Law Firm, 106 East College Avenue, Suite 1200, Tallahassee, Florida 32301, behalf of VILAIRE COMMUNICATIONS, INC., this 10<sup>th</sup> day of April, 2008.



LEE ENG TAN  
Senior Attorney  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Fl 32399  
(850) 413-6185

# EXHIBIT RJC-1

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide competitive local exchange telecommunications service by Vilaire Communications, Inc.	DOCKET NO. 050865-TX ORDER NO. PSC-06-0035-PAA-TX ISSUED: January 10, 2006
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The following Commissioners participated in the disposition of this matter:

RUDOLPH "RUDY" BRADLEY, Chairman  
J. TERRY DEASON  
LISA POLAK EDGAR  
ISILIO ARRIAGA

NOTICE OF PROPOSED AGENCY ACTION  
ORDER GRANTING CERTIFICATE TO  
PROVIDE COMPETITIVE LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Vilaire Communications, Inc. has applied for a certificate to provide Competitive Local Exchange Telecommunications (CLEC) service, pursuant to Section 364.337, Florida Statutes. Upon review of its application, it appears that Vilaire Communications, Inc. has sufficient technical, financial, and managerial capability to provide such service. Accordingly, we hereby grant to Vilaire Communications, Inc. Certificate No. 8611 which shall authorize it to provide CLEC services throughout the State of Florida.

If this Order becomes final and effective, it shall serve as Vilaire Communications, Inc.'s certificate. Vilaire Communications, Inc. should, therefore, retain this Order as proof of certification. We are vested with jurisdiction over this matter pursuant to Sections 364.335 and 364.337, Florida Statutes.

CLEC providers are subject to Chapter 25-24, Florida Administrative Code, Part XV, Rules Governing Telecommunications Service Provided by Competitive Local Exchange Companies. CLEC providers are also required to comply with all applicable provisions of Chapter 364, Florida Statutes, and Chapter 25-4, Florida Administrative Code.

Pursuant to Section 364.337(2), Florida Statutes, basic telecommunications service provided by an CLEC "... must include access to operator services, "911" services, and relay services for the hearing impaired." Further, Section 364.337(2), requires that an CLEC's "911"

service "... shall be provided at a level equivalent to that provided by the local exchange telecommunications company serving the same area."

In addition, under Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee (RAFs) of \$50 if the certificate was active during any portion of the calendar year. A RAFs Return notice will be mailed each December to Vilaire Communications, Inc. for payment by January 30th. Neither the cancellation of the certificate nor the failure to receive a RAFs Return notice shall relieve Vilaire Communications, Inc. from its obligation to pay RAFs.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we hereby grant Certificate No. 8611 to Vilaire Communications, Inc., which shall authorize it to provide Competitive Local Exchange Telecommunications services, subject to the terms and conditions set forth in the body of this Order. It is further

ORDERED that this Order shall serve as Vilaire Communications, Inc.'s certificate and should be retained by Vilaire Communications, Inc. as proof of certification. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 10th day of January, 2006.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By: /s/ Hong Wang  
Hong Wang, Supervisor  
Case Management Review Section

This is a facsimile copy. Go to the Commission's Web site, <http://www.floridapsc.com> or fax a request to 1-850-413-7118, for a copy of the order with signature.

(SEAL)

KS



NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 31, 2006.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

# EXHIBIT RJC-2

VCI Company  
3875 Steilacoom Boulevard S.W. #A  
Lakewood, Washington 98499  
(253) 830-0056  
Electronic Mail: [Staceyk@vcicompany.com](mailto:Staceyk@vcicompany.com)  
Facsimile: (253) 475-6328

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*Via Overnight Delivery*

February 16, 2006

060144-TX

Ms. Blanca Bayo  
Director, The Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: Vilaire Communications, Inc. Application for Designation as an Eligible  
Telecommunications Carrier in the State of Florida in BellSouth  
Telecommunications, Inc.'s Service Area

Dear Ms. Bayo:


Enclosed please find an original and seven (7) copies of Vilaire Communications, Inc.'s  
Application for Designation as an Eligible Telecommunications Carrier in the State of Florida.

Please acknowledge receipt of this filing by date-stamping and returning the additional copy of  
this transmittal letter in the self-addressed, postage paid envelope provided for this purpose.

Questions and comments regarding this application may be directed to me by telephone,  
facsimile or e-mail as indicated above.

Sincerely,

VCI Company

  
Stacey A. Klinzman  
Regulatory Attorney

cc: Beth Keating, Akerman, Senterfitt, Highpoint Center, 12th Floor, 106 East College  
Avenue, Tallahassee, FL 32301

DOCUMENT NUMBER DATE

01386 FEB 17 06

FPSC-COMMISSION CLERK

Before the  
 FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of )  
 Vilaire Communications, Inc. )  
 For Designation as an Eligible ) Docket No. \_\_\_\_\_  
 Telecommunications Carrier )

PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
 IN THE STATE OF FLORIDA

Vilaire Communications, Inc. ("Company" or "Vilaire"), pursuant to § 214(e)(2) and § 214(e)(6) of the Communications Act of 1934, as amended (the "Act")<sup>1</sup>, §§ 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC")<sup>2</sup>, § 364.10(2), and § 364.025(5), Florida Statutes<sup>3</sup>, hereby petitions the Florida Public Service Commission ("Commission") for designation as an Eligible Telecommunications Carrier ("ETC") in exchanges served by BellSouth Telecommunications, Inc. as described herein ("Designated Area") for the purpose of receiving federal universal service support. As demonstrated below, Vilaire satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated Area. Furthermore, designation of Vilaire in the Designated Area will serve the public interest. Accordingly, Vilaire respectfully requests that the Commission grant this Petition.

I. Vilaire Communications, Inc.

1. The Company is a corporation organized under the laws of the State of Washington on November 24, 2003 under the name VCI Company. Company was authorized to conduct business as a foreign corporation in the State of Florida on October 26, 2005, document no. F05000006214. Because of a name conflict at the Florida Secretary of State, Company is registered in Florida as Vilaire Communications, Inc. The Company was authorized by the

<sup>1</sup> 47 U.S.C. Sec. 214(e)(2); 47 U.S.C. Sec. 214(e)(6).

<sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

Commission as a Competitive Local Exchange Carrier ("CLEC"), Docket No. 050865-TX, Certificate No. TX 868 issued February 6, 2006. The principal office of the Company is located at 3875 Steilacoom Blvd. S.W. #A, Lakewood, Washington 98499. The Company's web site URL is [www.vcicompany.com](http://www.vcicompany.com).

2. Correspondence and communications regarding this Application should be directed to:

Stacey A. Klinzman  
Regulatory Attorney  
VCI Company  
3875 Steilacoom Blvd. S.W. #A  
Lakewood, WA 98499  
Telephone: (253) 830-0056  
Facsimile: (253) 475-6328  
Electronic mail: [staceyk@vcicompany.com](mailto:staceyk@vcicompany.com)

Correspondence and communications regarding on-going company operations should be directed to:

Stan Efferding  
Secretary/Treasurer  
VCI Company  
3875 Steilacoom Blvd. S.W. #A  
Lakewood, WA 98499  
Telephone: (206) 419-5948  
Facsimile: (253) 475-6328  
Electronic mail: [Vilaire@comcast.net](mailto:Vilaire@comcast.net)

3. The Company has completed negotiations with BellSouth for an interconnection agreement and documentation requesting approval of the Company's adoption of BellSouth's interconnection agreement with Budget Phone, Inc. (the "Interconnection Agreement") has been filed with the Florida Public Service Commission, Docket No. 060070. The Interconnection Agreement covers resale services and UNEs. Company also will enter into a commercial agreement with BellSouth. Company expects to begin serving Lifeline and Link-Up eligible

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<sup>3</sup> § 364.025(5), F.S. addresses a CLEC petition to become a universal service and carrier of last resort, and requires

customers within six (6) months after designation as an ETC by Commission.

4. The Company will provide local exchange in BellSouth's exchanges using a combination of unbundled network elements ("UNEs"), consisting of the local loop, ports and transport, provided by BellSouth, and resale of the BellSouth's services. Company is currently authorized to provide local exchange services in the following states: California, Colorado, Florida, Idaho, Iowa, Kentucky, Michigan, Minnesota, Montana, Nebraska, New Mexico, Nevada, North Carolina, North Dakota, Oregon, South Dakota, Texas, Utah, Wisconsin, Wyoming and Washington. Company is a designated ETC in all of the above states except Florida, Kentucky, Montana, Michigan, North Carolina, Nevada and Wisconsin. (*See Exhibit A - Copies of ETC Designation Orders*).

5. Vilaire has not been denied ETC designation in any jurisdiction where it has made application therefor. Vilaire withdrew its ETC applications in the states of Michigan, Montana and Nevada. Company withdrew its Nevada ETC application so that it could address issues brought forward by staff, such as the facts that Company did not yet have an interconnection agreement or commercial agreement with SBC Nevada. Company withdrew its Montana ETC application for business reasons. Company withdrew its Michigan ETC application at the request of staff pending the approval of its CLEC application. Company will be refilling its ETC applications in Michigan, Montana and Nevada during 2006.

6. Company provides service to approximately 50,000 low-income residential customers in the states of Iowa, Minnesota, North Dakota, Oregon, South Dakota, Texas, Wyoming and Washington. Company serves non-low income customers in Montana.

7. Vilaire is current and in good standing with the Universal Service Administrative Committee.

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such carriers to contribute their fair share to the universal service funding. See also, Knology Order Granting Petition for Designation as an Eligible Telecommunications Carrier, Order No. PSC-05-0324-PAA-TX, at p. 5, fn 2.

II. Requested Designated Area

8. Vilaire requests that it be designated an ETC in BellSouth's service area. A list of wire centers in Vilaire's requested Designated Area is attached as *Exhibit B*.

III. Requirements for Eligible Telecommunications Service Designation

9. As set forth in § 214(e)(2) of the Act, the state commission "shall upon its own motion or upon request designate a common carrier that meets the requirements of [Section 214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State commission."<sup>4</sup> § 214(e)(2) of the Act further provides, in the case of areas not served by a rural telephone company, that the state commission shall designate more than one common carrier as a eligible telecommunications carrier, consistent with the public interest, convenience and necessity. Upon designation as an ETC, the carrier shall be eligible to receive universal support in accordance with § 254 of the act.<sup>5</sup>

10. The requirements for designation as an ETC set forth in § 214(e)(1) and 47 C.F.R. 54.501(d)(1) and (2) are that the carrier must be a "common carrier" and

- (A) offer the services that are supported by Federal universal support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services and the charges therefore using the media of general distribution.<sup>6</sup>

<sup>4</sup> 47 U.S.C. Sec. 214(e)(2); see 47 C.F.R. 54.210(b) (FCC rules citing the Act's requirements.)

<sup>5</sup> 47 U.S.C. Sec. 214(e)(1)

<sup>6</sup> *Id.*

### III Requirements for Eligible Telecommunications Service Designation

11. Additional requirements for ETC designation were adopted by the FCC in the March 17, 2005 Order, which are codified at 47 C.F.R. 54.202(a)(1)-(5). The additional requirements provide that a carrier requesting designation as an ETC must:

- (A) Commit to provide service throughout its proposed designated service area to all customers making a reasonable request for service 47 C.F.R. 54.202(a)(1)(i);
- (B) Provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises (47 C.F.R. 54.202(a)(1)(i)(A));
- (C) Provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by:
  - (1) Modifying or replacing the requesting customer's equipment;
  - (2) Deploying a roof-mounted antenna or other equipment;
  - (3) Adjusting the nearest cell tower;
  - (4) Adjusting network or customer facilities;
  - (5) Reselling services from another carrier's facilities to provide service; or
  - (6) Employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.
 47 C.F.R. 54.202(a)(1)(i)(B).
- (D) Submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed designated service area. Each applicant shall demonstrate how signal quality, coverage or capacity will improve due to the receipt of high-cost support; the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; the specific geographic areas where the improvements will be made; and the estimated population that will be served as a result of the improvements. If an applicant believes that service improvements in a particular wire center are not needed, it must explain its basis for this determination and demonstrate how funding will otherwise be used to further the provision of supported services in that area (47 C.F.R. 54.202(a)(1)(ii));



### III Requirements for Eligible Telecommunications Service Designation (Cont'd)

- (E) Demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations (47 C.F.R. 54.202(a)(2));
- (F) Demonstrate that it will satisfy applicable consumer protection and service quality standards. A commitment by wireless applicants to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service will satisfy this requirement. Other commitments will be considered on a case-by-case basis (47 C.F.R. 54.202(a)(3));
- (G) Demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. 47 C.F.R. 54.202(a)(4); and
- (H) Certify that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

12. Pursuant to the FCC's Order released August 10, 2000, § 214(e)(1) of the Act does not require a carrier to provide supported services throughout a service area prior to being designated an ETC.<sup>7</sup> Among other things, the FCC determined that such a requirement is violative of § 253(a)<sup>8</sup> of the Act and is not competitively neutral.<sup>9</sup> Thus, a new entrant may make a "reasonable demonstration of its capability and commitment to provide universal service without the actual provision of the proposed service."<sup>10</sup>

<sup>7</sup> *In the Matter of the Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, 15 FCC Rcd. 15168, paras 10-18 (CC Docket No. 96-45, rel. August 10, 2000). See Also, Report and Order, *In the Matter of the Federal-State Joint Board on Universal Service*, 20 FCC Rcd 6371, para. 17, n. 39.

<sup>8</sup> § 253(a) of the Act provides: "No state or local statute, regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service." 47 U.S.C. Sec. 253(a).

<sup>9</sup> *Id.* at para.2, 21

<sup>10</sup> *Id.* at para. 24.

IV. Vilaire Communications, Inc. Satisfies the Requirements Set Forth in (e)(1) and 47 C.F.R. 54.501(d)(1) and (2) for Designation as an ETC to Serve the Designated Area

13. Vilaire is a common carrier as that term is defined in the Act.<sup>11</sup> The Company will provide competitive local telecommunications services in the state of Florida under Certificate No. TX868, which was granted on February 6, 2006. The Company provides local exchange telecommunications services in other states as indicated in paragraph 4 above.

14. Vilaire Communications, Inc. will offer all of the supported services enumerated under § 254(c) using a combination of its "own facilities" and resale of another carrier's services. The term "facilities" under § 54.201 is defined as "any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part."<sup>12</sup> 47 C.F.R. Sec. 54.201(f) provides that "the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled network elements...."<sup>13</sup> See also FPSC Order No. PSC -05-1255-PAA-TX. The Company's use of BellSouth's UNEs meets this definition of "facilities." Accordingly, the Company satisfies the requirement set forth in § 214(e)(1)(A).

15. The services that are supported by Federal universal support mechanisms under section 254(c) are enumerated in the FCC's rules.<sup>14</sup> These services are:

- a) Voice grade access to the public switched network.
- b) Local usage.
- c) Dual tone multi-frequency signaling or its functional equivalent
- d) Single-party service or its functional equivalent.
- e) Access to emergency services.
- f) Access to operator services.
- g) Access to interexchange service.
- h) Access to directory assistance.
- i) Toll limitation for qualifying low-income consumers.

<sup>11</sup> See 47 U.S.C. Sec. 153(10) ("the term 'common carrier' or 'carrier' means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy ....").

<sup>12</sup> 47 C.F.R. Sec. 54.201(e).

<sup>13</sup> 47 C.F.R. Sec. 54.201(f).

<sup>14</sup> 47 C.F.R. Sec. 54.101(a)(1)-(9)

16. The Company will provide the supported services as follows:

- a) Voice Grade Access to the Public Switched Network. The FCC has concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 2700 Hertz within the 300 to 3000 frequency range. There is no requirement to support high-speed data transmissions.<sup>15</sup> The Company meets this requirement by providing voice-grade access to the public switched telephone network (PSTN). Through its interconnection arrangements with BellSouth, all customers of the Company are able to make and receive calls on the PSTN within the specified bandwidth.
- b) Local usage. Although the FCC requires an ETC applicant to demonstrate that it offers a local usage plan comparable to the one offered by the BellSouth in the service areas for which the applicant seeks designation, the FCC has not adopted a specific local usage threshold.<sup>16</sup> Vilaire Communications, Inc. offers unlimited local service permitting the customer to make an unlimited amount of local calls within his/her local calling area.
- c) Dual tone multi-frequency ("DTMF") is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time. Vilaire Communications, Inc. currently uses out-of-band digital signaling and in-band multifrequency signaling that is functionally equivalent to DTMF.
- d) Single-party service. Single-party service is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed. Vilaire Communications, Inc. meets the requirement of single-party service by providing its customers with exclusive use of a wireline subscriber loop for each call placed, through its interconnection agreement with BellSouth.

<sup>15</sup> See Universal Service Fourth Order on Reconsideration, FCC 97-420 (Dec. 30, 1997).

<sup>16</sup> In the Matter of Federal-State Board on Universal Service, Report and Order, CC. Docket No. 96-45 (March 17, 2005) ¶¶ 32-34 (hereinafter "March 17, 2005 Order").

## 16. The Company will provide the supported services as follows (cont'd):

- e) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems. Vilaire Communications, Inc. currently provides all of its customers with access to emergency services by dialing 911 through its interconnection agreement with BellSouth in satisfaction of this requirement.
- f) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call. Vilaire Communications, Inc. meets this requirement by provides all of its customers with access to operator services provided by BellSouth through its interconnection agreement with BellSouth.
- g) Access to interexchange service. "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user to access an interexchange carrier's network. Vilaire Communications, Inc. meets this requirement by providing all of its customers with the ability to connect with the interexchange carrier of their choice.
- h) Access to directory assistance. "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Vilaire Communications, Inc. meets this requirement by providing its customers with access to directory assistance by dialing "411" or "555-1212."

16. The Company will provide the supported services as follows (cont'd):

- i) Toll limitation for qualifying low-income consumers. Toll limitation service is defined as either "toll control" or "toll blocking" services pursuant to 47 C.F.R. Sec. 54-400(d). Vilaire Communications, Inc. will provide the toll limitation service that BellSouth has the technological capability to provide. Currently, Vilaire Communications, Inc. provides toll blocking services to requesting Lifeline eligible customers free-of-charge in those states where it currently serves Lifeline eligible customers.

17. The Company will advertise the supported services in media of general distribution as required in 47 U.S.C. Sec. 214(e)(1). Furthermore, the Company is in compliance with the outreach guidelines adopted by the FCC in its Report and Order and Further Notice of Proposed Rulemaking released April 29, 2004,<sup>17</sup> including 1) utilizing outreach materials and methods designed to reach households that do not currently have telephone service; 2) developing outreach advertising that can be read or accessed by any sizeable non-English speaking populations within a carrier's service area; and 3) coordination of outreach efforts with governmental agencies/tribes that administer relevant government assistance programs.<sup>18</sup>

18. In states where the company is currently providing service as a designated ETC, the Company advertises the availability of Lifeline and Link-Up service via television advertisements. In addition, the Company has developed brochures in English and Spanish which are displayed in government agency offices and offices of organizations that provide services to low-income consumers, such as state departments of social service, housing offices, and food banks. Finally, the Company advertises its services in newspapers and fliers in Native American communities and also works directly with some tribal coordinators. The Company's advertising plan is designed to provide notification of the existence of low-income programs to the widest possible audience. Vilaire will cooperate with the Commission and Public Counsel in

<sup>17</sup> *In the Matter of Lifeline and Link-Up*, Report and Order and Further Notice of Proposed Rulemaking (WC Docket No. 03-109, rel. April 29, 2004).

<sup>18</sup> *Id.* at ¶ 45.

their advertising and outreach efforts. *(See sample Company brochure at Exhibit C).*

19. Many, if not all, of the additional requirements set forth in the March 17, 2005 Order and 47 C.F.R. 54.202(a) apply to wireless carriers or carriers requesting reimbursement from the Federal high cost fund.<sup>19</sup> Nevertheless, Vilaire will comply with all applicable requirements set forth in the March 17, 2005 Order and adopted by the Commission, and addresses each requirement as follows:

20. Vilaire commits to provide service throughout its proposed designated service area to all customers making a reasonable request for service.

21. Vilaire will provide service on a timely basis within its designated service area. As Vilaire does not own, operate or manage a network, whether Vilaire is able to serve a particular subscriber is dependent on where BellSouth's network is located or where BellSouth builds out its network. Service outside of BellSouth's existing network coverage, in Vilaire's designated

22. Vilaire proposes to provide Lifeline and Link-Up services in the service area where BellSouth is a certificated local exchange carrier. BellSouth is not a rural carrier. Vilaire does not request reimbursement from any state or federal high cost fund, thus, Vilaire cannot provide a 5-year plan indicating how high-cost funding will be used.

23. The FCC has determined that Lifeline providers utilize Federal universal service support for the purpose it was intended when the carrier reduces the price of access to telecommunications services for the eligible customer by the amount of that support.<sup>20</sup> Vilaire will pass through all applicable state and Federal service discounts to its end-user customers, thus reducing the price of access to telecommunications services for the Lifeline and Link-Up eligible customer.

<sup>19</sup> The March 17, 2005 Order arose out of the FCC's request to the Joint Board to "review certain of the Commission's rules relating to the high-cost universal service support mechanisms to ensure that the dual goals of preserving universal service and fostering competition continue to be fulfilled." (March 17, 2005 Order, ¶ 9).

<sup>20</sup> *In the Matter of Federal-State Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. Sec. 214(e)(1)(A) and 47 C.F.R. Sec. 54.201(i),* ¶ 26 (CC Docket No. 96-45, rel. Sept. 8, 2005).

24. Vilaire invests in Florida's telecommunications infrastructure through payment of rates and charges to BellSouth for services purchased or leased from BellSouth, which rates and charges include costs for maintenance and upgrade of BellSouth's facilities.

25. Vilaire's ability to remain functional in an emergency situation is dependent on that of BellSouth, its underlying network based carrier, including the supply of a reasonable amount of back-up power to ensure functionality without an external power source, ability to reroute traffic around damaged facilities, and capability of managing traffic spikes resulting from emergency situations.

26. Vilaire will comply with all applicable consumer protection and service quality standards in Florida.

27. Vilaire offers a local usage plan with unlimited calling within the customer's local calling area for a flat monthly fee, which is comparable to the one offered by BellSouth in the service area for which it seeks designation. The FCC did not adopt a specific local usage threshold in the March 17, 2005 Order, contemplating that such service would vary from carrier to carrier.<sup>21</sup>

28. Vilaire certifies that it acknowledges that the Florida Public Service Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access with the service area.

VI. Vilaire Provides High Quality Service with Minimal Complaints in the States Where it Currently Provides Service

29. Vilaire currently provides Lifeline and Link-Up services to approximately 50,000 Customers in the states of Iowa, Minnesota, North Dakota, Oregon, South Dakota, Texas, Washington and Wyoming. Vilaire does not provide interstate or international service. Thus, no

<sup>21</sup> The FCC envisioned that carriers might offer local calling plans that vary from the ILEC's, such as 1) a local calling plan with a calling area different from that of the ILEC; 2) a local calling plan with a specified number of

complaints have been filed at the Federal Communications Commission.

30. From time to time, the company has had consumer complaints referred to regulatory authorities in the states where it provides service, all of which have been resolved to the consumer's and staff's satisfaction or dismissed out of hand. In those cases, no disciplinary action resulted and no proceedings were instituted.

31. All complaints as of December, 2005 are listed below, along with the date Vitare began service and the number of customers. Company began providing service in Texas on January 19, 2006 and no complaints have been received as of the date of filing of this Application.

State	Date Service Began	No. of Customers	No. of Complaints Rec'd Regulatory Agency (2005)
Iowa	2/2005	7,836	1
Minnesota	9/2005	2,735	1
North Dakota	8/2005	423	0
Oregon	2/2004	8,717	5
South Dakota	7/2005	2,172	0
Washington	12/2002	12,723	35
Wyoming	4/2004	4,052	0

Of the 35 complaints received by the Washington Utilities and Transportation Commission in 2005, only eight were resolved in favor of the consumer. Complaints received by the Oregon Public Service Commission and the Minnesota Public Utility Commission were resolved in favor of the Company.

free minutes; or 3) a local calling plan with bundled local and long distance minutes, and suggested that local calling plans be reviewed on a case-by-case basis. March 17, 2005 Order, ¶33.



32. Vilaire has had only one consumer complaint that resulted in disciplinary action, the Iowa complaint referenced in the matrix above. In July 2005, the Iowa Utilities Board, on the recommendation of the Office of Consumer Advocate, began proceedings against the company because of one consumer slamming complaint, Docket No. FCU-05-39. The Iowa complaint was the result of an employee's mistake utilizing the company's third-party verification system. That employee is no longer with the company. Rather than undergo the expense of hiring local counsel and appearing at a hearing, the company entered into a settlement agreement with the Office of Consumer Advocate and paid a civil penalty of \$500.00. The Board's order approving settlement may be viewed on the Iowa Utilities Board web site <http://www.state.ia.us/government/com/util/orders.html>.

#### VII. Vilaire's Proposed Lifeline Service Rates and Charges and Tariffed Regulations

##### A. Lifeline and Link-Up Discounts

33. Vilaire will pass through all federal and state mandated service support<sup>22</sup> to its Lifeline and Link-Up customers, and may provide additional company discounts that encompass additional support required by state commissions, as follows:

##### A. Lifeline Support

Tier I - waiver of the federal Subscriber Line Charge (SLC),	\$6.50.
Tier II -	\$1.75
Tier III -	\$1.75
<u>Florida Support</u>	<u>\$3.50</u>
	\$7.00

Total support = \$13.50.

34. Pursuant to 47 U.S.C. 54.411(a)(1)(2), Vilaire will reduce its connection fee by ½ or \$30.00, whichever is less, and permit the customer to pay the remaining connection fee, up to \$200, over a 12 month period without interest.

35. Vilaire will comply with all applicable Florida regulations governing the provision of service to low-income consumers not eligible for Lifeline/Link-Up services.

B. Vilaire's Lifeline and Link-Up Rates

36. Vilaire proposes to provide basic local exchange service to Lifeline eligible customers for a monthly fee of \$14.00, after service discounts are applied. Vilaire's service connection fee, after reduction by \$30.00, is expected to be \$120.00, payable at \$10.00 per month over a 12 month period. The Lifeline and Link-Up eligible customer's telephone bill is expected to be \$24.00 per month for the first year of service and \$14.00 per month thereafter, plus all applicable taxes and surcharges. Vilaire's Lifeline and Link-Up eligible customers pay \$24.00 per month for basic local service and service connection in all states that do not limit, by rule or order, the basic monthly service fee for Lifeline service.

37. With respect to Vilaire's service connection fee, Vilaire does not require customers who have been disconnected from Company's services, but are subsequently reconnected, to pay any remaining amount of the service connection fee. Customers who reconnect service with Company are required to pay the past due bill and a \$30.00 reconnection fee.

38. Vilaire's proposed Lifeline and Link-Up regulations to be included in its *price list* are attached here as *Exhibit D*.

39. Vilaire is aware that under § 364.105 F.S., the Company will be required to offer Lifeline subscribers, who no longer qualify for Lifeline service, local service at a discount of 70% off of residential rates for a period of one year after the date the subscriber ceases to be Lifeline qualified.

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<sup>22</sup> See 47 U.S.C. Sec. 54.403(a)(1)-(3).

### VIII. Carrier of Last Resort Obligations

40. Vilaire understands that a 'carrier of last resort' is obligated to provide service to all customers within its service area making reasonable requests for service. While Vilaire is not seeking designation as a 'carrier of last resort' under § 364.025, Florida Statutes, Vilaire currently provides service to all Lifeline and Link-Up eligible customers requesting service in its designated serviced areas in all states where it is providing telecommunications service, and commits to doing so in Florida.

41. Furthermore, Vilaire will provide high-quality, reliable service as required in Ch. 364.025(5) F.S. Vilaire's service will live up to the Commission's standards and will be as reliable as BellSouth's network will permit. Vilaire currently has a ratio of approximately one customer complaint per 1,000 customers, which indicates that the vast majority of Vilaire's customers are satisfied with Vilaire's service quality and customer service.

### IX. Public Interest Analysis

42. In the March 17, 2005 Order, the FCC adopted, and encouraged the states to utilize, a cost-benefit analysis methodology of determining whether an application for ETC designation is in the public interest.<sup>23</sup>

43. According to the FCC, the public interest analysis should take into account the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable and affordable rates, and the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.<sup>24</sup>

<sup>23</sup> March 17, 2005 Order, ¶ 58.

<sup>24</sup> March 17, 2005 Order, ¶ 40.

44. Because the FCC's rules indicate that a state commission *shall* designate more than one ETC in an area served by a *non-rural incumbent*, the FCC indicated that the public interest analysis may be conducted differently, certain factors may be given more weight than others, and that state commissions may reach a different outcome in applying the test to carriers serving in a non-rural area.<sup>25</sup> The FCC also indicated that the public interest inquiry need not be as rigorous for carriers seeking ETC designation in non-rural carrier areas.<sup>26</sup>

45. The FCC's cost-benefit analysis consists of the weighing and consideration of such factors as 1) the benefits of increased consumer choice; and 2) the advantages and disadvantages of an applicant's service offering.<sup>27</sup> Among the advantages may be that an ETC designation will permit consumers to be subject to fewer toll charges, and to obtain access to premium services, such as voice mail, call forwarding, three-way calling and call waiting. Disadvantages might include dropped call rates and poor coverage.<sup>28</sup>

X. Vilaire's Designation as an ETC in Florida is in the Public Interest

46. Vilaire's designation as an ETC in the state of Florida fulfills the FCC's Goals for the reasons set forth below:

A. Vilaire's Designation will Lead to Increased Consumer Choice

47. Competitive carriers do not often request ETC designation or offer Lifeline and Link-Up services. Designation of Vilaire as an ETC will increase the low-income consumer's choice of carriers.

48. For those consumers who have been disconnected from BellSouth or other competitive carriers for non-payment of bills, Vilaire will provide an alternative to higher priced pre-paid local exchange carriers.

<sup>25</sup> March 17, 2005 Order, ¶ 43.

<sup>26</sup> *Id.* at ¶¶ 58, 59.

<sup>27</sup> *Id.* at ¶ 40.

<sup>28</sup> *Id.* at ¶ 44.

**B Vilaire's Designation Would Lead to Increased  
Subscribership**

49. According to the FCC, in 2004<sup>29</sup> only one-third of households eligible for Lifeline and Link-Up service subscribed to these programs, at a time when poverty rates were increasing.<sup>30</sup> Vilaire's aggressive advertisement of Lifeline and Link-Up services, at a cost of approximately \$10,000.00 per state per month, ensures that a significant portion of the eligible population is aware of the availability of low-income telephone service programs. Increased awareness leads to increased subscribership in these programs for all carriers.

50. Vilaire's customers generally have poor credit and have had service disconnected by BellSouth or another competitive local exchange carrier because of unpaid bills. These consumers may be without telephone service altogether because of an inability to bring their accounts current and comply with other requirements for being reconnected to the telephone network, such as the payment of a deposit and/or reconnection fee.

Company removes significant barriers to telephone subscribership by providing service to all Lifeline and Link-Up eligible consumers within its designated service area without credit checks or the imposition of a deposit, and despite the customer having been disconnected by another carrier.

**C. Company's Designation Would Result in a Significant Reduction  
in Toll Charges, thereby making Telephone Service More  
Affordable**

51. Vilaire provides toll restriction services throughout its designated service area, free of charge, as required by the FCC's rules. In addition, Vilaire's customer service personnel are trained to and do actively educate Vilaire's potential customers on the benefits of toll limitation service in reducing the customer's telephone bill. Vilaire's customer

<sup>29</sup> Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link-Up*, WC Docket No. 03-109 at ¶ 1 (FCC 04-87, April 29, 2004).

<sup>30</sup> *Id.* at ¶ 11.

service staff recommends the use of prepaid long distance calling cards as an alternative to subscription to Interexchange telephone service. As a result, the majority of Vilaire's customers choose toll restriction service and/or prepaid long distance telephone cards, which leads to affordable telephone service for the low-income consumer.

**D. Company's Designation Would Make Premium Services Available to Low Income Consumers**

52. Vilaire's service offering includes premium services, such as Caller ID, Call Waiting and Three-Way Calling. Where economically feasible, Vilaire offers premium service to its customers free-of-charge for the first year of service.

**E. Company's Procedures and Processes are Geared Toward the Low-Income Customer**

53. Vilaire bills its low-income customers at the beginning of the month, when the customer is likely to have funds available for payment of bills. In addition, Vilaire keeps telephone service simple. Vilaire only offers flat rated, unlimited local exchange service and a few custom calling features. Vilaire does not upsell its low-income customers features and services that the customer cannot afford. As a result, the customer pays one, consistent monthly rate.

**XI. Vilaire's Designation Will Have Minimal Impact on the Federal Universal Service Fund or any State Universal Service Fund**

54. Vilaire requests reimbursement from the Low-Income Division of the USAC only. Vilaire does not request reimbursement from any state universal service fund, or from the High Cost Division of the USAC.

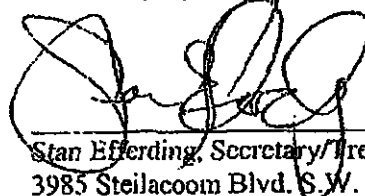
55. Vilaire's typical customer is one that was previously a customer of another carrier, such as BellSouth. Thus, Vilaire's reimbursement from the USAC is transferred from the previous carrier to Vilaire. The only increase in demand on the Federal Universal Service Fund would be for those consumers who subscribe to telephone service for the first time.

XII. Conclusion

56. For all of the foregoing reasons, Vilaire respectfully requests that the Florida Public Service Commission grant this Petition for Designation as an Eligible Telecommunications Carrier for the service areas designated herein.

Respectfully submitted this 16th day of February, 2006.

VCI Company a/k/a Vilaire Communications, Inc.



Stan Efferding, Secretary/Treasurer  
3985 Steilacoom Blvd. S.W. #A  
Lakewood, Washington 98499  
Telephone: (206) 419-5948  
Facsimile: (253) 475-6328  
E-mail: [Vilaire@comcast.net](mailto:Vilaire@comcast.net)

Before the  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of )  
Vilaire Communications, Inc. )  
For Designation as an Eligible ) Docket No. \_\_\_\_\_  
Telecommunications Carrier )

PETITION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF FLORIDA

LIST OF EXHIBITS

EXHIBIT	DOCUMENT
A	Copies of ETC Designation Orders
B	BellSouth Wire Centers in Designated Area
C	Sample Brochure
D	Lifeline and Link-Up Tariff Regulations



# EXHIBIT RJC-3

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for designation as eligible telecommunications carrier (ETC) by Vilaire Communications, Inc.	DOCKET NO. 060144-TX ORDER NO. PSC-06-0436-PAA-TX ISSUED: May 22, 2006
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The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman  
J. TERRY DEASON  
ISILIO ARRIAGA  
MATTHEW M. CARTER II  
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION ORDER  
GRANTING PETITION FOR DESIGNATION AS ELIGIBLE  
TELECOMMUNICATIONS CARRIER

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

**I. Case Background**

On February 17, 2006, Vilaire Communications, Inc. (Vilaire) petitioned this Commission for designation as an Eligible Telecommunications Carrier (ETC) in the State of Florida. Specifically, Vilaire is requesting that it be granted ETC status in 216 non-rural exchanges of BellSouth Telecommunications, Inc. (BellSouth). This is the fifth competitive local exchange carrier (CLEC) ETC petition to be brought before this Commission for consideration.<sup>1</sup>

<sup>1</sup> By Order PSC-05-0324-PAA-TX, issued March 21, 2005, Docket No. 041302-TX, In Re: Petition for Designation as Eligible Telecommunications Carrier by Knology of Florida, Inc., the Commission granted Knology of Florida, Inc. (Knology) Eligible Telecommunications Carrier status. Knology is a certificated CLEC which provides telecom service over its broadband network. By Order PSC-05-1255-PAA-TX, issued December 27, 2005, Docket No. 050483 TX, In Re: Petition for designation as Eligible Telecommunications Carrier by Budget Phone, Inc., the Commission granted Budget Phone ETC status in the requested Verizon and BellSouth wire centers, and approved ETC status in non-rural areas of Sprint provided Budget Phone consummates an agreement with Sprint. American Dial Tone (Docket No. 050542-TX) and Nexus (Docket No. 050889-TX), the third and fourth ETC recommendations, were considered by the Commission and approved at the April 4, 2006 agenda.

Vilaire is a FPSC-certificated CLEC which provides local exchange service in BellSouth's service area. Vilaire has indicated that it has the ability to provide services utilizing a combination of facilities obtained through a commercial facilities agreement (CFA) and resale services provided by BellSouth. Upon designation as an ETC, Vilaire indicates that it will participate in and offer Lifeline and Link-Up programs to qualified low income consumers. Additionally, Vilaire has committed to publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services.<sup>2</sup>

Vilaire is headquartered in Lakewood, Washington and is authorized to conduct business as a foreign corporation in the State of Florida. Vilaire provides service to approximately 50,000 low-income residential customers and is authorized to provide local exchange services in the states of California, Colorado, Florida, Idaho, Iowa, Kentucky, Michigan, Minnesota, Montana, Nebraska, New Mexico, Nevada, North Carolina, North Dakota, Oregon, South Dakota, Texas, Utah, Wisconsin, Wyoming and Washington. To date, Vilaire has been granted ETC status in all of the above states except Florida, Kentucky, Montana, North Carolina, Nevada and Wisconsin. Vilaire indicates that its accounts with the Federal Communications Commission (FCC) and Universal Service Administrative Company are current. Vilaire is not aware of any outstanding complaints or violations from the FCC.

Vilaire has stated that it is not planning to seek high-cost universal service funding if it is designated as an ETC in Florida. Since Vilaire is not seeking any high cost universal service funding, and its purpose in requesting ETC status in Florida is to provide Lifeline and Link-Up service, we find no harm in granting ETC status to Vilaire. It would have little, if any, effect on the size of the universal service fund<sup>3</sup>, and it would enhance the availability of Lifeline and Link-Up services in Florida.

We have authority under Section 364.10(2), Florida Statutes, to decide a petition by a CLEC seeking designation as an eligible telecommunications carrier pursuant to 47 C.F.R. s. 54.201.

## **II. Analysis**

Federal Communications Commission (FCC) rules provide that carriers designated as ETCs shall, throughout the designated service area: (1) offer the services that are supported by federal universal support mechanisms either using their own facilities or a combination of their own facilities and the resale of another carrier's services and, (2) advertise the availability of such services and the related charges therefore using media of general distribution. See CFR §54.201(d).

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<sup>2</sup> See 47 C.F.R. §§ 54.401-54.417 – Universal Service Support for Low Income-Consumers

<sup>3</sup> See FCC 05-46 (¶54) - Federal-State Joint Board on Universal Service – Impact on the Fund. “As the Commission has found in the past, analyzing the impact of one ETC on the overall fund may be inconclusive. Indeed, given the size of the total high-cost fund — approximately \$3.8 billion a year — it is unlikely that any individual ETC designation would have a substantial impact on the overall size of the fund.”

Vilaire has identified a total of 216 BellSouth wire centers in which it wishes to offer the services that are supported by federal universal service support mechanisms.

ETC Certification Requirements

CFR Rule 54.201(c), addresses a state commission's responsibilities related to ETC designation, stating:

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.

To qualify as an ETC, telecommunications carriers must provide nine services identified in CFR Rule 54.201(d)(1).

- (1) Voice grade access to the public switched network Voice grade access is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call;
- (2) Local Usage Local usage indicates the amount of minutes of use of exchange service, provided free of charge to end users;
- (3) Dual tone multi-frequency signaling or its functional equivalent Dual tone multi-frequency ("DTMF") is a method of signaling that facilitates the transportation of signaling through the network, thus shortening call set-up time;
- (4) Single-party service or its functional equivalent Single party service is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;
- (5) Access to emergency services Access to emergency services includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations;

- (6) Access to operator services Access to operator services is defined as access to any automatic or live assistance to a consumer to arrange for billing and/or completion, of a telephone call;
- (7) Access to interexchange service Access to interexchange service is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;
- (8) Access to directory assistance Access to directory assistance is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and
- (9) Toll limitation for qualifying low-income consumers Toll limitation or Blocking restricts all direct dial toll access.

In addition to providing the above services, ETC's must advertise the availability of such services and the associated charges using media of general distribution.

### **III. Decision**

We have authority under Section 364.10(2), Florida Statutes, to decide a petition by a CLEC seeking designation as an eligible telecommunications carrier pursuant to 47 C.F.R. s. 54.201. Vilaire is a CLEC that offers local exchange service and meets the statutory facilities requirement of universal service by leasing the physical components of the telecommunications network necessary to provide the nine services identified in CFR Rule 54.201(d)(1) through its CFA with BellSouth.

Vilaire has acknowledged the requirements of the Florida Lifeline program and has agreed to adhere to the program which provides qualified customers a total of \$13.50 in Lifeline assistance credits consisting of: \$6.50 in federal subscriber line charges, \$1.75 in federal support for states that have approved the credit, and \$1.75 which is a 50% match of federal support for having a state lifeline program requiring a \$3.50 credit under the Florida eligibility criteria. Vilaire indicates that it will provide the \$3.50 credit to qualified clients, advertise the availability of Lifeline, and begin offering these services within 180 days/6 months of receiving ETC status.

Vilaire has indicated that it will abide by all Florida Statutes, Rules, and Commission Orders regarding ETCs. Since Vilaire is not seeking any high cost universal service funding and its purpose in requesting ETC status in Florida is to provide Lifeline and Link-Up service, we find no harm in granting ETC status to Vilaire. Providing Lifeline and Link-up service, which facilitates the availability of basic phone service to Florida's low-income customers, could have a positive effect on Lifeline participation rates. Therefore, we find that Vilaire be granted ETC status in the BellSouth non-rural wire centers identified in Attachment A.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Villaire Communications, Inc.'s Petition for designation as an Eligible Telecommunications Carrier (ETC) in the State of Florida for the BellSouth non-rural wire centers identified in Attachment A be granted. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 22nd day of May, 2006.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

This is a facsimile copy. Go to the Commission's Web site, <http://www.floridapsc.com> or fax a request to 1-850-413-7118, for a copy of the order with signature.

(SEAL)

TLT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 12, 2006.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ARCHER	ARCHFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BOCA RATON	BCRTFLBTDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BOCA RATON	BCRTFLMADS1
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BOCA RATON	BCRTFLSADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	KEYS	BGPIFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BROOKSVL	BKVLFLJFDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BALDWIN	BLDWFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BELLEGLADE	BLGLFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BUNNELL	BNNFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BRONSON	BRSNFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	BOYNTONBCH	BYBHFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	COCOABEACH	CCBHFLAFRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CEDAR KEYS	CDKYFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CHIEFLAND	CFLDFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CHIPLEY	CHPLFLJADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CANTONMENT	CNTMFLLED1
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	COCOA	COCOFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	COCOA	COCOFLMEDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MIAMI	COCYFL13AMD
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CROSS CITY	CSCYFLBARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DEBARY	DBRYFLDLDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DELAND	DELDFLMADS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DELEON SPG	DLSPFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DUNNELLON	DNLNFLWMRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DEERFLDBCH	DRBHFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DAYTONABCH	DYBHFLFNRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DAYTONABCH	DYBHFLORS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	DAYTONABCH	DYBHFLPODS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	EAU GALLIE	EGLLFLBGDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	EAU GALLIE	EGLLFLIHDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	EASTORANGE	EORNFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FLAGLERBCH	FLBHFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTH CENTRAL BELL TEL	CENTURY	FMTNALNMRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FERNADNBCH	FRBHFLFPDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	JACKSONVL	FTGRFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FTLAUDERDL	FTLDFLCR56E
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FTLAUDERDL	FTLDFLJADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FTLAUDERDL	FTLDFLMRDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FTLAUDERDL	FTLDFLOADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL		FTLDFLPLBB0



BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FTLAUDERDL	FTLDLFLPLDS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	FORTPIERCE	FTPRFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	GREENCVSPG	GCSPFLCNDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	GRACEVILLE	GCVLFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	GENEVA	GENVFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	GULFBREEZE	GLBRFLMCDS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	KEYS	ISLMFLMARS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MIAMI	MIAMFLOL68E
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL		MIAMFLPLBB0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MIAMI	MIAMFLPLRS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MIAMI	MIAMFLWMDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	SEBASTIAN	MICCFLBBS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MELBOURNE	MLBRFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MILTON	MLTNFLRADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	JACKSONVL	MNDRFLAVDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	JACKSONVL	MNDRFLLODS0

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	JULINGTON	MNDRFLWRS0
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BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	KEYS	MRTHFLVERSO
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	MAXVILLE	MXVLFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NORTH DADE	NDADFLAC94E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NORTH DADE	NDADFLACDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NORTH DADE	NDADFLBRDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NORTH DADE	NDADFLGGDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NORTH DADE	NDADFLOLDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	KEYS	NKLRFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NWSMYRNBCH	NSBHFLMA42E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	NEWBERRY	NWBYFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	OAK HILL	OKHLFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	OLD TOWN	OLTWFLNRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLAPDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLCLDS0
BELLSOUTH TELECOMMUNICATIONS, INC. - FL	WINTERPARK	ORLDFLCLDS1
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLMA04T
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLMA42E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL		ORLDFLMABB8
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLMADS1
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLPCDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLPHDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORLANDO	ORLDFLSADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORANGEPARK	ORPKFLMA26E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ORANGEPARK	ORPKFLRWDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	OVIEDO	OVIDFLCADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PACE	PACEFLPVRSO
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PAHOKEE	PAHKFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PNAMACYBCH	PCBHFLNTDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PALM COAST	PLCSFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PALATKA	PLTKFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	CORAL SPG	PMBHFLCSDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMPANOBCH	PMBHFLFECG0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMPANOBCH	PMBHFLFEDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMPANOBCH	PMBHFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMPANOBCH	PMBHFLNPRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMPANOBCH	PMBHFLTADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	POMONAPARK	PMPKFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PANAMACITY	PNCYFLCARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNCYFLMABB0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PANAMA CITY	PNCYFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNSCFLBL43E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNSCFLBLDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNSCFLFPDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNSCFLHCRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PENSACOLA	PNSCFLWADS0

BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PERRINE	PRRNFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PIERSON	PRSNFLFDRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PTST LUCIE	PTSLFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	PTST LUCIE	PTSLFLSOCG0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	SEBASTIAN	SBSTFLFERS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	KEYS	SGKYFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	SANFORD	SNFRFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	STAUGUSTIN	STAGFLBSRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	STAUGUSTIN	STAGFLSHRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	ST JOHNS	STAGFLWGRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	SUNNYHILLS	SYHSFLCCRS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	TRENTON	TRENFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	TITUSVILLE	TTVLFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	VERNON	VERNFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	VERO BEACH	VRBHFLBERS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	VERO BEACH	VRBHFLMADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLANBB9
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLGADS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLGR1KD
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLGRDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLHHDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLHHS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLLE58E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLLE58E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLRB84E
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WPALMBEACH	WPBHFLRPDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	WEEKICHSPG	WWSPFLHIDS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	YONGSTFNTN	YNFNFLMARS0
BELLSOUTH TELECOMM INC DBA SOUTHERN BELL TEL & TEL	YANKEETOWN	YNTWFLMARS0

# EXHIBIT RJC-4

**Universal Service Funds Received by VCI since Becoming an ETC in Florida**

Month/Year	Lifeline	Link-Up	TLS	Total
March 2008	\$47,113	\$138	\$4,715	\$51,966
February 2008	\$37,773	(\$14,298)	\$3,278	\$26,753
January 2008	\$58,451	\$14,958	\$6,483	\$79,892
December 2007	\$57,955	\$14,912	\$7,137	\$80,004
November 2007	\$66,634	\$14,728	\$6,200	\$87,562
October 2007	\$41,492	\$10,410	\$5,103	\$57,005
September 2007	\$59,693	(\$1,876)	\$5,632	\$63,449
August 2007	\$53,871	\$23,877	(\$18,204)	\$59,544
July 2007	\$33,405	\$4,261	\$11,556	\$49,222
June 2007	\$64,246	\$51,378	\$25,353	\$140,977
May 2007	\$71,442	\$33,420	\$27,881	\$132,743
April 2007	\$81,093	\$24,690	\$32,244	\$138,027
March 2007	\$79,913	\$41,400	\$35,728	\$157,041
February 2007	\$61,936	\$30,845	\$38,285	\$131,066
January 2007	\$37,839	\$67,689	\$29,466	\$134,994
December 2006	\$19,825	\$7,527	\$8,162	\$35,514
November 2006	\$8,333	\$16,989	\$7,062	\$32,384
October 2006	\$4,681	\$4,030	\$2,483	\$11,194
September 2006	\$1,651	\$3,090	\$1,321	\$6,062
August 2006	\$1,021	\$3,060	\$1,116	\$5,197
Total	\$888,367	\$351,228	\$241,001	\$1,480,596

# EXHIBIT RJC-5



VCI Company  
PO Box 98907  
Lakewood WA 98498  
Phone: (800) 923-8375  
Fax: (253) 475-6328

Via Electronic Mail

June 15, 2007

John Mann  
Regulatory Analyst  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: *Vilaire Communications, Inc.* – Responses to Florida Public Service Commission  
("Commission") Letter of May 4, 2007

Mr. Mann:

Below, in question and answer format, please find Vilaire Communications, Inc.'s ("VCI" or "Company") responses to the data requested in the Commission's May 4, 2007 letter. Please be reminded that VCI was unable to respond to the Commission's letter by the date indicated therein because the Company never received the letter. Future Commission inquiries should be mailed to the Company at 2228 S. 78<sup>th</sup> Street, Tacoma, WA 98409-9050 and transmitted to me via electronic mail at [vilaire@comcast.net](mailto:vilaire@comcast.net).

As an initial matter, VCI believes it is important to address the reasoning behind the FCC's rule mandating that customers be provided the option of blocking toll calls. The FCC recognized that the low income customer was falling victim to high long distance charges on their bills because they were unable to obtain or unaware of the existence of toll blocking. There is a long standing history of cases concerning low income customers falling victim to disconnection of service due to non-payment of high long distance bills and/or charges for ancillary services. The rule was put in place to help protect low income consumers from long distance charges accumulating on their bills and to help more customers obtain this important protection.

Recognizing the FCC's intent and reasoning, VCI actively educates its customers about methods for managing the cost of their telephone service. By significantly reducing or even eliminating toll charges, the low-income consumer's telephone bill is more financially manageable and more likely to be paid. Consumers who pay their telephone bills remain on the network. Toll blocking is one option VCI offers its customers to lower or eliminate long distance bills. VCI does not require its Lifeline customers to subscribe to toll blocking service.



John Mann, Regulatory Analyst  
June 15, 2007  
Page 2 of 6

VCI provides access to long distance service for those customers who request this service by placing a 'PIC' on the line which directs the customer's 1+ call through the interexchange carrier of their choice.

Data Requests and Responses

1. How many Lifeline customers does VCI have in Florida?

Response: As of May 31, 2007, VCI had 6,895 Lifeline customers in Florida.

2. Of these VCI Lifeline customers, how many were made aware of the options regarding access to interexchange service when either initiating or maintaining service from VCI?

Response: All Lifeline customers are made aware that they may obtain long distance service through the long distance carrier of their choice. Potential customers who contact VCI to inquire about service listen to the following automated message:

"Access to interexchange services are available upon request. Also, eligible customers may request toll blocking for free to prevent someone from running up your bill."

VCI's customer service representatives also read potential customers the following script prior to their initiation of service:

"VCI does not sell long distance service so you can either contact a long distance company to purchase your own long distance or you can choose to have a free toll block placed on your line so you never have to worry about someone running up your bill."

Once they subscribe to service, VCI customers are continually reminded that they may obtain long distance service through a notification included on the monthly bill.

John Mann, Regulatory Analyst  
June 15, 2007  
Page 3 of 6

3. What number of VCI Lifeline customers in Florida have chosen to have their toll blocking removed?

Response: 7

4. According to 47 C.F.R. 54.101(a), a company must offer "access to interexchange service." If VCI is automatically applying toll-blocking to Lifeline clients, please explain how this conforms to the standard of allowing access to interexchange service.

Response: VCI does not automatically apply toll blocking to Lifeline clients.

In addition, please explain the following conditions drawn from your customer agreement:

**TOLL BLOCKING:**

A Toll block has been placed on your line in lieu of a deposit to prevent unwanted charges from appearing on your bill such as collect calls, operator assistance and long distance VCI Company Inc will lift toll blocking, at no charge, if you establish a direct relationship with an interexchange carrier. The interexchange carrier may require a service deposit, depending upon your credit history.

With a \$75 deposit, VCI Company Inc will lift toll blocking and not charge you the \$20 change order fee to perform this service, even if you do not identify a presubscribed interexchange carrier. Under this option you will not be able to place 1+ dialed toll calls.

With a \$75 deposit, VCI Company Inc will lift toll blocking to operator services and not charge you the \$20 change order fee to perform this service.

Response: The language serves as a reminder to Lifeline clients who have elected toll blocking of the circumstances under which toll blocking may be removed. VCI was required by the Universal Service Administrative Company ("USAC") to make this notification to customers in 2005. The toll blocking language above is included on information supplied to all customers VCI serves in every state. VCI has not collected a deposit from any Florida consumer. Those Florida customers that desire access to interexchange services always select a carrier for use of long distance services.

The Commission should take notice that the Toll Blocking language indicates that deposits are not required from any customer that creates a relationship directly with an interexchange carrier. The Commission also should take notice that VCI does not sell long distance service or contract with any interexchange carriers. The Company does not receive income from Lifeline customers accessing interexchange services, either directly or indirectly.

John Mann, Regulatory Analyst  
June 15, 2007  
Page 4 of 6

Response to No. 4, Cont'd:

Historically, VCI found that when a customer requested the removal of toll blocking service, those customers that did not establish a relationship with a long distance carrier often made long distance calls, either through dial-around calling or 3<sup>rd</sup> party operator services connections. The charges for these calls then would be billed to VCI by the ILEC. The ILEC long distance billings that VCI attempted to pass through to its customers increased the cost of telephone service beyond what the customer was willing to pay. Those customers then would be disconnected for non-payment.

VCI estimated the \$75.00 deposit based on these ILEC long distance billings to VCI. The deposit amount listed above was considered fair by the USAC when considering the average anticipated monthly billings for long distance charges.

5. The following is contained in the deposit rule for Florida carriers:

25-4.109 Customer Deposits.

(2) Amount of deposit. The amount of the initial required deposit shall not exceed an amount equal to the charges for one month's local exchange service plus two months estimated toll service provided by or billed by the LEC. If, after ninety (90) days service, the actual deposit is found to be greater than an amount equal to one month's local service plus two months actual average toll service provided by or billed by the LEC, the company shall, upon demand of the subscriber to the Company, promptly refund the difference.

Please explain how your deposit practices comply with this regulation.

Response: As indicated above, VCI was required by the USAC to notify customer of the conditions under which it would lift toll blocking for those customers who elected toll blocking on their accounts. The Toll Blocking language is included on information supplied to all customers VCI serves in all states where the Company provides service. VCI has not collected a deposit from any Florida customer.

John Mann, Regulatory Analyst  
June 15, 2007  
Page 5 of 6

6. According to Florida Statute 364.10(b): Undue advantage to person or locality prohibited; Lifeline service.-- An eligible telecommunications carrier shall offer a consumer who applies for or receives Lifeline service the option of blocking all toll calls or, if technically capable, placing a limit on the number of toll calls a consumer can make. The eligible telecommunications carrier may not charge the consumer an administrative charge or other additional fee for blocking the service.

Please explain how VCI is providing its Lifeline customers in Florida the option of blocking toll calls, versus being automatically enrolled in toll-blocking.

Response: VCI does not automatically enroll its Lifeline customers in toll blocking. Also See Response to No. 2 above.

7. Does VCI charge a fee to lift toll-blocking, and if so, what is the fee?

Response: VCI does not charge a fee to Lifeline customers to lift toll blocking.

8. Please explain why VCI's Lifeline customers cannot place 1+ toll calls.

Response: Lifeline customers that do not elect toll blocking can place 1+ toll calls through their established long distance carrier.

9. Please provide support for VCI's claim for USAC support in Florida for providing toll limitation service that is substantially larger than that being requested by all other carriers in Florida.

Response: First of all, VCI has more Lifeline customers than most other Florida carriers, thus its claim to USAC for all support would be higher than that made by many other Florida carriers.

Additionally, VCI is different than other phone companies in that VCI does not attempt to up-sell low-income consumers on expensive products such as long distance, voicemail, cellular phones, high speed internet, or other ancillary services that create high bills the consumer ultimately will be unable to pay causing services to be disconnected. VCI has seen from years of experience that when a customer's bill exceeds \$40 a month, more than half of those customers cannot pay and are then disconnected. VCI created a business model that attempts to keep the customer's bill below \$40 a month and part of that effort is educating the consumer about the benefits of keeping costs low.

John Mann, Regulatory Analyst  
June 15, 2007  
Page 6 of 6

Response to No. 9., Cont'd:

The vast majority of VCI customers call from pay phones because they have lost their phone service with another provider for non-payment of large bills. Most of the time, they are unable to re-establish services with that provider because the balance owing can be in the hundreds of dollars and/or they are refused service until the large past due bill and a hefty deposit are paid.

VCI actively educates its consumers about alternatives to long distance service. VCI encourages customers who have been disconnected for non-payment of historical long distance bills to participate in Toll Limitation so no-one can run up their bill and they are not put at risk of losing their service again for non-payment of these large, often uncontrollable, costs. VCI also encourages customers to utilize low-cost calling cards from reliable sources such as WalMart or Costco in order to better manage long distance calling costs. VCI is unaware of other carriers that have the same commitment to consumer education.

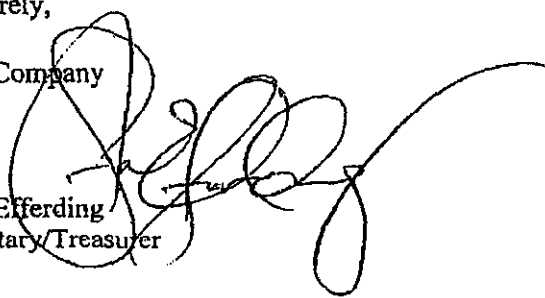
Because VCI actively educates consumers and encourages low-income customers to utilize this very important cost management tool, VCI customers participate in toll blocking in larger numbers than those of other carriers.

Please don't hesitate to contact me if you have additional questions.

Sincerely,

VCI Company

Stan Efferding  
Secretary/Treasurer

A handwritten signature in black ink, appearing to read 'Stan Efferding', is written over the typed name and title. The signature is stylized and cursive.

# EXHIBIT RJC-6



**Universal Service Administrative Company**  
High Cost & Low Income Division

Pamela Gallant  
Director, Low Income  
[pgallant@universalservice.org](mailto:pgallant@universalservice.org)

September 15, 2003

Stan Efferding  
Vilaire Communications  
7619 Burgess Street West Office  
Lakewood, WA 98499

**RE: Vilaire Communication's Claims for Support under the Federal Low Income Universal Service Mechanism**

Dear Mr. Efferding:

USAC has received guidance from the Federal Communications Commission (Commission) regarding Vilaire Communication's claims for support under the federal universal service mechanisms codified in 47 C.F.R. §54.400 *et seq.* Vilaire Communications has filed for Lifeline and Link Up support and for Toll Limitation Support (TLS) for April through July 2003. The Commission has advised USAC that Vilaire's current claims for support can be paid provided that Vilaire complies with the conditions set out in this letter.

Pursuant to 47 C.F.R. §54.101(a)(6) and (7), all eligible telecommunications carriers (ETCs) are required to provide access to interexchange service and access to operator services. In addition, 47 C.F.R. §54.401(a)(3) provides that qualifying low-income consumers may elect to receive toll limitation. The Commission has advised that, before USAC can pay Vilaire Lifeline and Link Up support, Vilaire must provide written confirmation that it will inform all of its existing customers, and all future customers, that they have the following options:

1. Vilaire will lift toll blocking, at no charge to the customer, if the customer establishes a direct relationship with an interexchange carrier. The interexchange carrier may require a service deposit, depending upon the customer's credit history.
2. Vilaire will lift toll blocking, at no charge to the customer, even if the customer does not identify a presubscribed interexchange carrier, but Vilaire may require a service deposit, depending upon the customer's credit history. Customers must also be informed that, under this option they will not be able to place 1+ dialed toll calls.

Letter to Vilaire Communications  
September 15, 2003  
Page 2

3. Vilaire will lift toll blocking to operator services, at no charge to the customer, but Vilaire may require a service deposit, depending upon the customer's credit history.

The written confirmation should include a description of how and when Vilaire expects to provide this information to its existing and future customers. The confirmation should be dated and signed by an authorized officer of Vilaire.

In addition, USAC has inquired about the amount of support Vilaire is claiming per each of its low-income customers for providing toll blocking. TLS equals the incremental cost of providing toll limitation service. Although Vilaire has sought to explain the manner in which it calculates its incremental cost of providing toll blocking, the Commission has directed USAC to obtain additional information so that it can confirm Vilaire's claims for TLS.

Toll limitation is a service that carriers must offer to eligible low-income subscribers at no charge in order to be eligible to receive universal service support. This service includes toll blocking, which allows subscribers to block outgoing toll calls, and also toll control, which allows subscribers to limit in advance their toll usage per month or billing cycle. Carriers are required to provide at least one type of toll-limitation service. Support will be provided for the incremental cost of providing toll limitation service. These costs include the costs that carriers otherwise would not incur if they did not provide toll limitation service to a given customer. The incremental cost of toll limitation does not include the full retail charge for toll limitation service that the carrier would charge other consumers. Moreover, incremental costs do not include the service's joint and common costs, e.g., overhead and costs for services or equipment used for non-toll limitation purposes. Lifeline support in excess of the incremental cost of providing toll limitation will not be provided for switch upgrades. This means that the low income support mechanism will reimburse carriers only for a switch upgrade that is necessary exclusively for the provision of toll limitation. Portions of a switch upgrade that will be used for the performance of functions other than providing toll limitation are not reimbursable by the low income support mechanism and should not be included in initial or recurring incremental costs.

Please provide a detailed breakdown of Vilaire's incremental cost of providing toll limitation; it should show clearly the initial non-recurring incremental costs Vilaire incurs to set up each new Lifeline customer with toll limitation service. These costs would include, for example, the installation or changing of central office connections required to begin providing a Lifeline customer with toll limitation. In addition, incremental cost submitted by Vilaire should show clearly the recurring incremental cost, if any, incurred to provide toll limitation service to each Lifeline customer. These costs would include, for example, a portion of the switch upgrade costs necessary exclusively for providing toll limitation.



Letter to Vilaire Communications  
September 15, 2003  
Page 3

Please respond by providing the requested confirmation of customer information and detailed breakdown of incremental costs in writing to USAC. If you have any questions concerning the foregoing, please contact me at [pgallant@universalservice.org](mailto:pgallant@universalservice.org).

Sincerely,

Pamela Gallant  
Director, Low Income

cc: Diane Law Hsu, Federal Communications Commission

# EXHIBIT RJC-7

Federal Communications Commission

FCC 07-148

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	File No. EB-07-IH-3985
	)	
VCI Company	)	NAL/Acct. No. 200732080033
	)	
Apparent Liability for Forfeiture	)	FRN No. 0015783004
	)	
	)	

**NOTICE OF APPARENT LIABILITY FOR FORFEITURE AND ORDER**

Adopted: August 14, 2007

Released: August 15, 2007

By the Commission:

**I. INTRODUCTION**

1. In this *Notice of Apparent Liability for Forfeiture* (“NAL”), we find that VCI Company (“VCI”) apparently violated sections 54.407(c) and 54.413(b) of the rules of the Federal Communications Commission (“Commission”) by willingly or repeatedly failing to keep and provide to the Universal Service Administrative Company (“USAC”) accurate records of the revenues it was forgoing in providing Lifeline and Link Up service.<sup>1</sup> In addition, we find that VCI apparently violated sections 54.407(b) and 54.413(a) of the Commission’s rules by willfully or repeatedly receiving duplicate reimbursement for qualifying low-income consumers served.<sup>2</sup> Based on our review of the facts and circumstances surrounding this matter, we find that VCI is apparently liable for a total forfeiture of \$1,047,500. Furthermore, we order VCI to submit within 30 days to USAC revised Form 497s excluding all requests for duplicate universal service reimbursement for qualifying low-income customers served from August 2004 to August 2007.<sup>3</sup>

**II. BACKGROUND**

2. Under section 254 of the Communications Act of 1934, as amended (the “Act”), Congress promoted access to telecommunications service for all consumers and required the Commission to establish rules governing the services to be supported by the Federal universal service fund support mechanisms.<sup>4</sup> Section 254(b) establishes principles upon which the Commission must base its policies for the preservation and advancement of universal service. One of these principles states that “consumers in all regions of the Nation, including low-income consumers..., should have access to telecommunications and information services ... that are reasonably comparable to those services

<sup>1</sup> 47 C.F.R. §§ 54.407(c) and 54.413(b).

<sup>2</sup> 47 C.F.R. §§ 54.407(b) and 54.413(a).

<sup>3</sup> Section 54.417 of the Commission’s rules requires that eligible telecommunications carriers maintain records to document compliance with all federal and state requirements governing Lifeline and Link Up for three years. *See* 47 C.F.R. § 54.417(a).

<sup>4</sup> 47 U.S.C. § 254(a)(2).

provided in urban areas and that are available at rates that are reasonably comparable to rates charged in urban areas.”<sup>5</sup> As we have stated previously, “these principles also recognize that ensuring rates are affordable is a national priority.”<sup>6</sup>

3. The Commission implemented Part 54 of its rules in response to this statutory mandate and promulgated various universal service support mechanisms, including mechanisms providing financial support to schools and libraries, rural healthcare providers, and carriers providing service to high cost and low-income users.<sup>7</sup> Under the low-income support mechanism, the Lifeline Assistance (“Lifeline”) and Lifeline Connection Assistance (“Link Up”) programs provide discounts to qualifying low-income consumers for basic telephone service.<sup>8</sup> Lifeline provides low-income consumers with discounts off the monthly cost of telephone service for a single telephone line in their principal residence.<sup>9</sup> In addition, qualifying low-income consumers have the option to elect at the initiation of service Toll Limitation Service (“TLS”) to be included as part of Lifeline at no extra charge.<sup>10</sup> Link Up provides qualifying low-income consumers with discounts from the initial costs of installing telephone service.<sup>11</sup> The low-income mechanism allows an eligible telecommunications carrier (“ETC”) providing services to qualifying low-income consumers to seek and receive reimbursement for revenues it forgoes as a result.<sup>12</sup> In order for a carrier to receive low-income support, the carrier first must be designated as an ETC.<sup>13</sup>

4. As part of the framework for these programs, the Commission established explicit requirements that ETCs must meet to receive federal low-income support. Under sections 54.407 and 54.413 of the Commission’s rules, an ETC may receive universal service support directly from USAC based on the number of qualifying low-income consumers it serves in the form of a reimbursement of the revenues it forgoes in providing Lifeline and Link Up services.<sup>14</sup> Moreover, the Commission has established that low-income consumers may receive support only for “a single telephone line in their

<sup>5</sup> 47 U.S.C. § 254(b)(3).

<sup>6</sup> *Lifeline and Link Up*, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305, ¶ 3 (2004) (“2004 Lifeline Order”).

<sup>7</sup> See generally *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776 (1997) (“1997 Universal Service Order”).

<sup>8</sup> The Commission adopted Lifeline and Link Up prior to the passage of the Telecommunications Act of 1996 pursuant to its general authority under sections 1, 4(i), 201, and 205 of the Act. See *1997 Universal Service Order*, 12 FCC Rcd 8952-53, ¶ 341; *2004 Lifeline Order*, 19 FCC Rcd at 8306, ¶ 4. See also *Telecommunications Act of 1996*, Pub.L. No., 104-104, 110 Stat. 56 (1996).

<sup>9</sup> 47 C.F.R. § 54.401(a)(2); *1997 Universal Service Order*, 12 FCC Rcd at 8957, ¶ 341; *2004 Lifeline Order*, 19 FCC Rcd at 8306, ¶ 4.

<sup>10</sup> 47 C.F.R. § 54.401(a)(3); *1997 Universal Service Order*, 12 FCC Rcd at 8980, ¶ 385.

<sup>11</sup> See 47 C.F.R. § 54.411(a)(1).

<sup>12</sup> See 47 C.F.R. §§ 54.407, 54.413.

<sup>13</sup> 47 U.S.C. § 254(e) (providing that only ETCs designated pursuant section 214(e) of the Act, 47, C.F.R. § 214(e), are eligible to receive specific Federal universal service support); see also 47 U.S.C. § 214(e) (setting forth the requirements for ETC designation).

<sup>14</sup> 47 C.F.R. §§ 54.407 and 54.413.

principal residence.”<sup>15</sup> In order to receive reimbursement for such support, an ETC “must keep accurate records of the revenues it forgoes in providing Lifeline....”<sup>16</sup> The Commission’s rules further require that “[s]uch records shall be kept in the form directed by [USAC] and provided to [USAC] at intervals as directed....”<sup>17</sup> As a result, an ETC seeks reimbursement from USAC for the revenues it forgoes in provisioning Lifeline to qualifying low-income consumers by submitting a Form 497 for each state in which it seeks reimbursement and for each month in which it has forgone revenues.<sup>18</sup>

5. The Commission’s rules governing reimbursement for Link Up services are very similar to those governing the Lifeline program. That is, to receive reimbursement for Link Up, an ETC must keep accurate records of the revenues it forgoes in reducing the customary charge for commencing telecommunications service and its records must be kept in the form directed by and provided to USAC.<sup>19</sup> As with the Lifeline program, an ETC thus seeks reimbursement from USAC for the revenues it forgoes in provisioning Link Up by submitting a Form 497 for each state and month.<sup>20</sup>

6. VCI is a privately held company that provides telecommunications services predominantly to low-income consumers.<sup>21</sup> The company was incorporated in the State of Washington on November 24, 2003 and has operated or obtained authority to operate in 15 states.<sup>22</sup> VCI has been certified as an ETC in all 15 states and thus qualifies for the receipt of low-income support directly from USAC. VCI currently provides Lifeline, Link Up and TLS services in twelve states, including Minnesota.<sup>23</sup> VCI relinquished ETC status and ceased all telecommunications service operations in Washington on January 11, 2007 and in Oregon on February 1, 2007.<sup>24</sup> VCI provides services directly to end users using its own facilities as well as by reselling service initially provided by other carriers.<sup>25</sup>

<sup>15</sup> See 1997 *Universal Service Order*, 12 FCC Rcd at 8957, ¶ 341; 2004 *Lifeline Order*, 19 FCC Rcd at 8306, ¶ 4 (specifying that support for Lifeline subscribers is for “a single telephone line in their principal residence”). See also 47 C.F.R. § 54.411(a)(1) (stating that Link Up support is for “commencing telecommunications service for a single telecommunications connection at a [qualified low-income] consumer’s principal place of residence”); 47 C.F.R. § 54.411(c) (limiting Link Up support to qualified low-income consumers “for a second or subsequent time only for a principal place of residence with an address different from the one which Link Up support was provided previously”).

<sup>16</sup> 47 C.F.R. § 54.407(c). The Commission has selected USAC as the Administrator of the universal service fund, including the disbursement of low-income support.

<sup>17</sup> *Id.*

<sup>18</sup> See Form 497 and Instructions.

<sup>19</sup> 47 C.F.R. § 54.413(b).

<sup>20</sup> See Form 497 and Instructions.

<sup>21</sup> First LOI Response to Inquiry 3; Letter from Stacey A. Klinzman, Regulatory Attorney, VCI Company, to Secretary, Federal Communications Commission dated January 16, 2007 (“VCI is a competitive local exchange provider that service[s] primarily low-income, residential customers with federal and state subsidized Lifeline and Link Up services.”).

<sup>22</sup> First LOI Response at Exhibits A and B.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> Section 54.201(d)(1) states that an ETC must offer services using its own facilities or a combination of its own facilities and resale of another company’s service. 47 C.F.R. § 54.201(d)(1).

7. In addition to federal low-income support, VCI is also eligible to receive state low-income support in states such as Minnesota, Oregon, and Washington that established their own programs providing additional support to low-income consumers in their states.<sup>26</sup> Oregon and Washington have established their own state eligibility criteria for qualifying low-income consumers that resemble the federal low-income program, while Minnesota has adopted the federal criteria.<sup>27</sup> ETCs such as VCI may participate in both the federal and state programs.

8. In June 2006, USAC began an audit review of VCI's December 2005 claims for federal low-income support in Oregon.<sup>28</sup> During the audit, USAC informed VCI that it believed VCI was submitting duplicate requests for reimbursement of low-income support.<sup>29</sup> VCI did not dispute USAC's finding or the Lifeline and Link Up duplicate line data underlying that finding. USAC ultimately found at the conclusion of the audit that in December 2005 VCI submitted a request for reimbursement for duplicate telephone numbers and addresses in Oregon for which it was not eligible.<sup>30</sup>

9. In or about August 2006, the Oregon Telephone Assistance Program ("OTAP"), the administrator of the Oregon state low-income programs, conducted an audit into VCI's submissions seeking Oregon state low-income support. The OTAP found that VCI submitted telephone numbers twice or even three times on the same monthly form seeking low-income support. In total, OTAP determined that VCI had submitted more than 1,800 duplicate requests for support in Oregon from June 2004 through March 2006. As a result, OTAP denied the duplicate requests submitted by VCI.<sup>31</sup> The OTAP administrator informed VCI of these findings by e-mail in August 2006<sup>32</sup> and again in a November 2006 Staff Report.<sup>33</sup> Following the OTAP inquiry, on December 8, 2006, the Oregon Public Utility Commission ("OPUC") opened a formal investigation into, among other things, VCI's duplicate billings for Oregon state low-income support.<sup>34</sup> These duplicate billings apparently were also included in VCI's

<sup>26</sup> See *2004 Lifeline Order*, 19 FCC Rcd at 8306-7, ¶¶ 5-6.

<sup>27</sup> See *id.*, 19 FCC Rcd at 8355, Appendix G (providing that Minnesota has adopted federal eligibility criteria).

<sup>28</sup> See Letter from Karen Majcher, Vice President, High Cost & Low Income Division, USAC to Stan Johnson, VCI Company, dated May 30, 2007 ("USAC Recovery Letter").

<sup>29</sup> See First LOI Response at Exhibit I, E-Mail from Michael Desrocher, Staff Auditor, USAC to Stanley Johnson, VCI, August 25, 2006, (attaching December 2005 duplicate Lifeline and Link Up line data); see also E-mail from Stanley Johnson, VCI, to Michael Desrocher, Audit Staff, USAC, August 14, 2006, 4:26 PM (admitted that "two of the phone numbers on [the audit] sample list were for the same [Lifeline] consumers").

<sup>30</sup> See USAC Recovery Letter. USAC has subsequently recovered from VCI's recent reimbursement the overpayment applied to VCI's December 2005 ineligible lines. See *Id.*

<sup>31</sup> See E-mail from Julie Thompson, OTAP to Stanley Johnson, VCI, dated August 30, 2006 ("August 30, 2006 OTAP Billing Email").

<sup>32</sup> *Id.*

<sup>33</sup> Public Utility Commission of Oregon Staff Report from Vicki McLean, Central Services Administrator, to the Public Utilities Commission, Residential Service Protection Fund: Request to Open a Formal Investigation of Vilaire Company Incorporated dba VCI, dated November 27, 2006 ("OTAP Staff Report"). VCI did not appeal the duplicate telephone numbers findings in the company's response to the OTAP staff report. See Letter from VCI to the OPUC dated December 1, 2006 in response to the OTAP Staff Report.

<sup>34</sup> See *Vilaire Company Incorporated, dba VCI, Investigation Into Oregon Telephone Assistance Program Billings, As Well As Revenue And Remittance Reporting*, Order (OTAP Dec. 8, 2006). ETCs such as VCI are eligible to participate in both the federal and state programs.

claims for federal low-income support.<sup>35</sup> Despite the multiple inquiries from state and federal regulatory agencies seeking information about its submissions for low-income support, particularly its submission of duplicate requests for support to state and federal agencies, VCI has failed to revise any of the Form 497s filed with USAC to account for its duplicate low-income support requests.

10. On May 25, 2007 and July 3, 2007, the Enforcement Bureau (“Bureau”) sent Letters of Inquiry to VCI inquiring into the company’s claims for low-income support, primarily in Minnesota, Oregon, and Washington.<sup>36</sup> VCI submitted its responses to the Bureau inquiry letters on June 13, 2007,<sup>37</sup> June 21, 2007<sup>38</sup> and July 12, 2007.<sup>39</sup> VCI’s responses demonstrate that in Minnesota, Oregon and Washington the company received reimbursement to which it was not entitled by including duplicate telephone numbers and addresses in the total line counts for Lifeline, Link Up, and TLS support on Form 497s submitted to USAC.

11. Under section 503(b)(1) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.<sup>40</sup> Section 312(f)(1) of the Act defines willful as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law.<sup>41</sup> The legislative history to section 312(f)(1) of the Act clarifies that this definition of willful applies to both sections 312 and 503(b) of the Act<sup>42</sup> and the Commission has so interpreted the term in the section 503(b) context.<sup>43</sup> The Commission may also assess

<sup>35</sup> First LOI Response at Exhibit J. The number of duplicate telephone numbers found by OTAP in Oregon matched the total number of duplicate numbers that VCI reported in its LOI response each month from September 2005 through March 2006. Based on these facts, we conclude there is a preponderance of the evidence that VCI submitted the same duplicate requests to USAC.

<sup>36</sup> Letter from Trent B. Harkrader, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Stanley Johnson, VCI Company, dated May 25, 2007 (“May 25<sup>th</sup> LOI”); Letter from Trent B. Harkrader, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, to Stanley Johnson, VCI Company, dated July 3, 2007 (“July 3<sup>rd</sup> LOI”).

<sup>37</sup> Letter from B. Lynn F. Ratnavale, Lukas, Nace, Gutierrez & Sachs, Chartered, Counsel for VCI Company, to Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, dated June 13, 2007 (Response to Inquiries 1-5 and 6-10) (“First LOI Response”).

<sup>38</sup> Letter from B. Lynn F. Ratnavale, Lukas, Nace, Gutierrez & Sachs, Chartered, Counsel for VCI Company, to Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, dated June 27, 2007 (Response to Inquiry 6) (“Second LOI Response”).

<sup>39</sup> Letter from B. Lynn F. Ratnavale, Lukas, Nace, Gutierrez & Sachs, Chartered, Counsel for VCI Company, to Diana Lee, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, dated July 12, 2007 (“Third LOI Response”).

<sup>40</sup> 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1); *see also* 47 U.S.C. § 503(b)(1)(D) (forfeitures for violation of 14 U.S.C. § 1464).

<sup>41</sup> 47 U.S.C. § 312(f)(1).

<sup>42</sup> H.R. Rep. No. 97-765, 97<sup>th</sup> Cong. 2d Sess. 51 (1982).

<sup>43</sup> *See, e.g., Application for Review of Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991) (“*Southern California Broadcasting Co.*”).

a forfeiture for violations that are merely repeated, and not willful.<sup>44</sup> “Repeated” means that the act was committed or omitted more than once, or lasts more than one day.<sup>45</sup> To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against whom the notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.<sup>46</sup> The Commission will then issue forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.<sup>47</sup>

12. We conclude under this standard that VCI is apparently liable for a forfeiture for its apparent willful or repeated violations of sections 54.407(b), 54.407(c), 54.413(b) and 54.413(a) of the Commission’s rules by filing inaccurate Form 497s with USAC seeking duplicate low-income support reimbursement and as a result receiving low-income support to which it was not entitled. Based on a preponderance of the evidence, we find that VCI engaged in a consistent and sustained practice of submitting duplicate requests for reimbursement to USAC and that it consequently received significant support to which it was not entitled. We therefore propose a forfeiture in the amount of \$1,047,500 against VCI for these apparent violations.

### III. DISCUSSION

#### A. VCI Apparently Violated Sections 54.407(c) and 54.413(b) of the Commission’s Rules By Submitting Inaccurate Information To USAC

13. The record establishes that VCI failed to maintain accurate records of revenues it was forgoing, as evidenced by its repeated submission of Form 497s that contained duplicate ineligible requests for reimbursement. Moreover, based on the evidence developed in this investigation, we determine that VCI included thousands of duplicate entries in the total line counts for Lifeline, Link Up, and TLS support on its Form 497 submissions from October 2005 through March 2007 to USAC for service provided in Minnesota, Oregon, and Washington.<sup>48</sup> Consequently, VCI received excessive monthly low-income reimbursements continuing from November 2005 until April 2007.<sup>49</sup>

14. VCI does not dispute the violative, erroneous submissions, but instead merely blames them on a faulty computer system.<sup>50</sup> Specifically, VCI claims that when culling data for submissions to

<sup>44</sup> See, e.g., *Callais Cablevision, Inc., Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362, ¶ 10 (2001) (“*Callais Cablevision*”) (issuing a Notice of Apparent Liability for, *inter alia*, a cable television operator’s repeated signal leakage).

<sup>45</sup> *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, ¶ 5; *Callais Cablevision, Inc.*, 16 FCC Rcd at 1362, ¶ 9.

<sup>46</sup> 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

<sup>47</sup> See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591, ¶ 4 (2002) (forfeiture paid).

<sup>48</sup> See First LOI Response, Exhibit J; First LOI Response, Response to Inquiry 15(d); Third LOI Response, Response to Inquiries 44-45.

<sup>49</sup> First LOI Response, Exhibit J; Third LOI Response at Exhibit R. USAC transmits monthly low-income payment to VCI one month after VCI submits the Form 497. USAC thus disbursed monthly low-income reimbursements to VCI for service provided from September 2005 through February 2007 in each of the respective months from November 2005 through April 2007. See *id.*

<sup>50</sup> VCI admitted that it initially designed a computer system that extracted data using only the customer’s social security number. VCI updated the system to “utilize two additional customer identifiers, telephone number and address,” in May 2007 “to ensure that customer data is collected and submitted correctly.” First LOI Response, Response to Inquiry 15(d); see also Third LOI Response, Response to Inquiry 44.



USAC, its system captured only the low-income customer's social security number and failed to eliminate any duplicate customer telephone numbers or addresses. As a result, when VCI collected information about its eligible consumers for its Form 497 submissions to USAC, it included duplicate requests for reimbursement.<sup>51</sup> Because reimbursement of low-income support is limited to revenues that VCI was forgoing in provisioning a single telephone line per principal residence for each qualified low-income consumer, VCI is required to eliminate duplicate entries, including duplicate telephone numbers or addresses, in seeking full reimbursement for the qualified customer on each Form 497. VCI admits that "utilizing two additional customer identifiers, telephone number and address"<sup>52</sup> in the system in addition to the social security number would allow the company to identify these inaccuracies. VCI failed to implement such a compliance measure, however, and continued its conduct in spite of the State of Oregon's and USAC's investigations beginning in or around August 2006 of its practices, and actions by both regulatory authorities to disallow or require repayment of low-income support.<sup>53</sup> VCI did not correct this faulty system until May 2007.<sup>54</sup> Accordingly, we conclude that VCI apparently willfully or repeatedly violated sections 54.407(c) and 54.413(b) by filing inaccurate Form 497s with USAC between October 2005 and November 2006 for its service in Oregon and Washington and by filing inaccurate Form 497s with USAC between December 2005 and March 2007 for its service in Minnesota.

**B. VCI Apparently Violated Sections 54.407(b) and 54.413(a) By Collecting Lifeline and Link Up Support To Which It Was Not Entitled**

15. VCI admits that it received duplicate reimbursement from November 2005 through April 2007<sup>55</sup> for the same telephone number or address on thousands of lines provisioned in Minnesota, Oregon, and Washington. From November 2005 through December 2006, VCI received support for 8,217 Lifeline and 2,050 Link Up duplicate telephone numbers or addresses for service in these states.<sup>56</sup> After VCI ceased providing service in Oregon and Washington, VCI continued to receive reimbursement of Lifeline support for another 448 duplicate telephone numbers or addresses from January 2007 through April 2007 for service in Minnesota alone.<sup>57</sup> VCI has neither attempted to return the excess reimbursements to USAC, nor explained its failure to do so. Accordingly, we conclude that VCI apparently willfully or repeatedly violated section 54.407(b) by collecting reimbursements each month from November 2005 through December 2006 for Lifeline support in Oregon and Washington and by collecting reimbursements each month from January 2006 through April 2007 for Lifeline support in Minnesota. We also conclude that VCI apparently willfully or repeatedly violated section 54.413(a) by collecting reimbursements for Link Up support each month from November 2005 through December 2006 in Oregon and Washington and each month from January 2006 through December 2006 in Minnesota to which it was not entitled under our rules.

<sup>51</sup> VCI used this system to support its reimbursement requests in all states it provided service. Thus, in addition to submitting claims for reimbursement for duplicate telephone numbers and addresses in Minnesota, Oregon, and Washington, VCI also presumably did the same in other states for which it sought reimbursement for support. We will review VCI's actions in these other states in a separate investigation.

<sup>52</sup> First LOI Response, Response to Inquiry 15(d).

<sup>53</sup> See First LOI Response at Exhibit I.

<sup>54</sup> Third LOI Response, Response to Inquiry 44.

<sup>55</sup> See *supra* at n.49.

<sup>56</sup> First LOI Response at Exhibit J.

<sup>57</sup> VCI ceased providing service in Washington in January 11, 2007 and in Oregon on February 1, 2007.

### C. Proposed Forfeiture

16. Section 503(b)(2)(B) of the Act authorizes the Commission to assess a forfeiture of up to \$130,000 for each violation or each day of a continuing violation, up to a statutory maximum of \$1,325,000 for a single act or failure to act.<sup>58</sup> In determining the appropriate forfeiture amount, we consider the factors enumerated in section 503(b)(2)(D) of the Act, including “the nature, circumstances, extent and gravity of the violation, and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”

17. The Commission has not established a base forfeiture amount for the submission of inaccurate requests for universal service support in violation of sections 54.407(c) or 54.413(b) of our rules. We find that a significant forfeiture amount is appropriate. Administering the low-income program is an intensive undertaking that requires determining that each carrier seeking low-income reimbursement has met all of the Commission’s requirements and submitted complete and accurate submissions. If an ETC ignores our rules and submits information that is consistently inaccurate, it undermines the low-income reimbursement mechanism and the universal service program altogether.

18. In this respect, an ETC’s filing of inaccurate requests for low-income reimbursement is similar to a carrier’s failure to provide accurate revenue information to USAC for the assessment of the carrier’s universal service fund contributions. As with the universal service fund contributions cases, we set base forfeiture amounts here that reflect USAC’s need to receive consistently accurate and reliable information from carriers. We have established \$50,000 as the base forfeiture amount for a carrier’s failure to file accurate revenue information with USAC.<sup>59</sup> Carriers provide that information in most cases on a quarterly basis via FCC Form 499.<sup>60</sup> A comparable amount should apply to the filing of inaccurate low-income reimbursement requests, adjusted to reflect the fact that ETCs file FCC Form 497 on a monthly basis. Accordingly, we establish \$20,000 per form as the base forfeiture amount for the filing of inaccurate requests for reimbursement under the low-income program, in violation of sections 54.407(c) and 54.413(b) of the Commission’s rules.

19. VCI admits it filed inaccurate Form 497s seeking reimbursement in Oregon and Washington from October 2005 through November 2006, and filed inaccurate forms seeking reimbursement in Minnesota from December 2005 through March 2007.<sup>61</sup> VCI continued to submit these inaccurate reports in spite of state and federal regulatory investigations of its practices and regulatory actions to disallow or require repayment of low-income support. Moreover, VCI has steadfastly refused to refile or file revised requests for support that did not contain duplications.

20. The Commission has not previously determined whether an ETC’s failure to file an accurate Form 497 is a continuing violation under section 503(b)(2)(B). We find that a carrier’s failure to file an accurate form (or failure to file a form) has a continuing harmful impact on the Universal Service Fund and other related regulatory obligations. In this instance, VCI received and continued to benefit from excessive funds that USAC disbursed as a direct result of VCI’s inaccurate form. We therefore

<sup>58</sup> 47 U.S.C. § 503(b)(2)(B); see also 47 C.F.R. § 1.80(b)(2); see also *Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Forfeiture Maxima to Reflect Inflation*, Order, 15 FCC Rcd 18221 (2000).

<sup>59</sup> See, e.g., *Local Phone Services, Inc.*, Notice of Apparent Liability for Forfeiture, 21 FCC Rcd 9974, 9979, ¶ 14 (2006) (“*Local Phone Services NAL*”).

<sup>60</sup> Carriers must also file once per year a Form 499-A reporting the previous year’s annual revenues.

<sup>61</sup> See *supra* at n.49.

conclude that VCI's failure to file accurate Form 497s constitutes a continuing violation as to which the one year statute of limitations for forfeiture in section 503(b)(6)(B) does not begin to run until the violation is cured. We recognize that the Globcom Order suggested that the statute of limitations begins to run on the date a form was filed (or due) and bars a forfeiture issued more than one year later.<sup>62</sup> We disagree with that finding. Nevertheless, because we are changing course in this order by finding a continuing violation for the failure to file accurate Form 497s, we exercise our prosecutorial discretion here and decline to propose forfeitures for VCI's failures to file Form 497s more than one year prior to the date of the NAL. We caution VCI and other carriers that future enforcement actions may consider all failures to file forms with USAC, including Telecommunications Reporting Worksheets, as continuing violations subject to forfeiture action.

21. For the reasons discussed above, we conclude that VCI is apparently liable for a \$20,000 forfeiture for each inaccurate Form 497 filed within the past year. VCI submitted to USAC sixteen inaccurate Form 497s from August 2006 through March 2007.<sup>63</sup> Accordingly, we propose a \$320,000 forfeiture for VCI's sixteen apparent violations of sections 54.407(c) and 54.413(b) of the Commission's rules.

22. As with the provision of inaccurate information in requests for low-income reimbursements, the Commission has not established a base forfeiture for the unlawful receipt of Lifeline and TLS reimbursements in violation of section 54.407(b) of our rules. Once again, we find that a significant forfeiture amount is justified. Congress explicitly designated the provision of service to low-income consumers one of the key principles upon which the Commission should base its universal service policies.<sup>64</sup> When an ETC receives Lifeline support to which it is not entitled, however, it undermines this national priority and ultimately threatens to deprive low-income consumers of the essential telecommunications and information services to which they are entitled.

23. In another context, when addressing carriers that fail to comply with recurring universal service contribution obligations, we have imposed significant forfeitures. Specifically, we have proposed a base forfeiture of \$20,000 for each month in which a carrier has failed to pay its USF contribution.<sup>65</sup> We believe a similar approach is warranted here. In both cases, a carrier has unlawfully deprived the USF of funds at the expense of innocent third parties.<sup>66</sup> We therefore find it appropriate to impose a \$20,000 base forfeiture for each month in which an ETC, in violation of section 54.407(b), receives Lifeline support to which it is not entitled.

24. From November 2005 through April 2007, VCI admits that it received duplicate Lifeline and TLS reimbursement for 8,665 lines as a result of submitting duplicate telephone numbers, duplicate

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<sup>62</sup> See, e.g., *Globcom, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 18 FCC Rcd 19893, 19905, ¶ 34 (2003) (admonishing for failure to file Form 499 more than one year prior to the NAL date).

<sup>63</sup> As mentioned above, USAC requires an ETC seeking low-income reimbursement to file a Form 497 for each state and month. VCI filed eight inaccurate Form 497s from August 2006 through November 2006 for Oregon and Washington, and eight inaccurate Form 497s from August 2006 through March 2007 for service in Minnesota.

<sup>64</sup> 47 U.S.C. § 254(b)(3).

<sup>65</sup> See, e.g., *Local Phone Services NAL.*, 21 FCC Rcd at 9980, ¶ 15.

<sup>66</sup> "Nonpayment of universal service contributions is an egregious offense that bestows on delinquent carriers an unfair competitive advantage by shifting to compliant carriers the economic costs and burdens associated with universal service." *Local Phone Services NAL.*, 21 FCC Rcd at 9979, ¶ 15.

addresses and, in some cases, both.<sup>67</sup> The Commission's rules allow an ETC to seek reimbursement from USAC for revenues it forgoes in providing services to low-income consumers but section 54.407(b) limits the amount of Lifeline support to "reimbursement for each qualifying low-income consumer served."<sup>68</sup> VCI was thus precluded from obtaining reimbursement for a qualifying consumer more than once a month. Despite this restriction, as explained above, VCI received about \$114,000 in Lifeline and TLS support as reimbursement for services it did not provide. Each monthly receipt of excess support constitutes a continuing violation that continues until the ETC has returned the funds to USAC.<sup>69</sup> VCI received excessive support in eighteen months from November 2005 continuing until April 2007. We propose a base forfeiture of \$360,000 for VCI's eighteen apparent violations of section 54.407(b).

25. Additionally, given the gravity of the harm here, we also find an upward adjustment is appropriate. In our USF contribution enforcement items, we upwardly adjust the forfeiture by one-half of the carrier's balance due to USAC.<sup>70</sup> We conclude that imposing such an upward adjustment in this situation would adequately punish VCI for its actions at issue here as well as deter other ETCs from seeking excessive support. As we have repeatedly observed, such an upward adjustment of the forfeiture "illustrate[s] that a delinquent carrier's culpability and the consequential damage it causes to the goal of universal service may vary with the size of the contribution it fails to make."<sup>71</sup> We find that it is equally important to consider the damage caused by an ETC's receipt of excessive support. Accordingly, we find that an upward adjustment representing one-half the excessive funds received is proper. Beginning November 2005 and continuing through the receipt of its reimbursement support from USAC in April 2007, VCI received \$114,000 in low-income Lifeline and TLS support to which it was not entitled as a result of seeking reimbursement for duplicate telephone numbers, addresses or both. Adding half of that amount to the proposed base forfeiture amount results in a total proposed forfeiture of \$417,000 for VCI's apparent violation of section 54.407(b).

26. Finally, the Commission has also yet to establish a base forfeiture for the unlawful receipt of Link Up reimbursements in violation of section 54.413(a) of our rules. As above, we find that a significant forfeiture amount is justified. In another context, when addressing carriers that fail to comply with regulatory contribution obligations, we have imposed significant forfeitures. Specifically, we have proposed a base forfeiture of \$20,000 for each month in which a carrier has failed to pay its USF contribution.<sup>72</sup> We believe a similar approach is warranted here. In both cases, a carrier has unlawfully deprived the USF of funds, at the expense of innocent third parties. We therefore find it appropriate to impose a \$20,000 base forfeiture for each month in which an ETC, in violation of section 54.413(a), receives Link Up support to which it is not entitled.

<sup>67</sup> First LOI Response at Exhibit J; Third LOI Response at Exhibit R.

<sup>68</sup> 47 C.F.R. § 54.407(b).

<sup>69</sup> In this respect, the unlawful receipt of USF monies resembles the failure to pay USF contributions. See *Globcom, Inc.*, Order of Forfeiture, 21 FCC Rcd 4710, 4723, ¶ 35 n.105 (2006) ("*Globcom Forfeiture Order*") ("Each failure to pay the amount due each month constituted a violation that continued for more than 10 days); *Matrix Telecom, Inc.*, Notice of Apparent Liability, 15 FCC Rcd 13544 (2000); *Conquest Operator Services Corp.*, Order of Forfeiture, 14 FCC Rcd 12518, 12525, ¶ 16 (1999). Moreover, USAC permits carriers seeking low-income support up to 27 months to revise any Form 497s.

<sup>70</sup> See, e.g., *Local Phone Services NAL*, 21 FCC Rcd at 9980, ¶ 16.

<sup>71</sup> *InPhonic, Inc.*, Order of Forfeiture and Further Notice of Apparent Liability for Forfeiture, FCC 07-58 at ¶ 28 & n.87 (rel. May 3, 2007) (citing cases).

<sup>72</sup> See, e.g., *Local Phone Services NAL*, 21 FCC Rcd at 9980, ¶ 15.

27. From November 2005 through December 2006, VCI admits that it received duplicate Link Up reimbursement for 2,050 lines as a result of submitting duplicate telephone numbers, duplicate addresses and, in some cases, both.<sup>73</sup> The Commission's rules allow an ETC to seek reimbursement from USAC for revenues it forgoes in providing services to low-income consumers but section 54.413(a) limits the amount of Link Up support to "the difference between the carrier's customary connection or interest charges and the charges actually assessed to the participating low-income consumer."<sup>74</sup> Moreover, our rules and orders have explicitly stated that low-income consumers may receive support only for a single telephone line in their principal residence.<sup>75</sup> VCI was thus precluded from obtaining reimbursement for a qualifying consumer more than once. Despite this restriction, as explained above, VCI received about \$61,000 in Link Up support as reimbursement for services it did not provide. Each monthly receipt of excess support constitutes a continuing violation that continues until the ETC has returned the funds to USAC.<sup>76</sup> VCI received excessive Link Up support for fourteen months from November 2005 continuing through December 2006. We therefore propose a base forfeiture of \$280,000 for VCI's fourteen apparent violations of section 54.413(a).

28. For the reasons stated in our discussion of VCI's apparent violations of section 54.407(b), we also propose an upward adjustment of one-half the amount of excess Link Up support received by VCI. Beginning November 2005 and continuing through the receipt of its reimbursement support from USAC in December 2006, VCI received approximately \$61,000 in Link Up support to which it was not entitled as a result of seeking reimbursement for duplicate telephone numbers, addresses or both. Adding half of that amount to the proposed base forfeiture amount results in a total proposed forfeiture of \$310,500 for VCI's apparent violation of section 54.413(a).

#### IV. CONCLUSION

29. We conclude that VCI is apparently liable for the following proposed forfeitures: (1) \$320,000 for failure to file accurate form 497s of the revenues it was forgoing in providing low-income service; (2) \$417,000 for unlawful receipt of excessive reimbursement for Lifeline support; and (3) \$310,500 for unlawful receipt of excessive reimbursement for Link Up support. In sum, we hold that VCI is apparently liable for a total forfeiture of \$1,047,500. Further violations of the Commission's rules governing the filing of accurate information seeking reimbursement and receipt of low-income support will constitute additional violations subjecting VCI to possible increased enforcement action. Such enforcement action could take the form of higher forfeitures. In addition, the Commission may suspend support disbursements to an ETC or revoke the carrier's designation as an ETC upon evidence that indicates the carrier is no longer in compliance with the Commission's criteria for ETC designation.<sup>77</sup>

30. We warn carriers that if the forfeiture methodologies described herein are not adequate to deter violations of our USF rules, our statutory authority permits the imposition of much larger penalties and we will not hesitate to impose them as circumstances require.

<sup>73</sup> First LOI Response at Exhibit J; Third LOI Response at Exhibit R.

<sup>74</sup> 47 C.F.R. § 54.413(b).

<sup>75</sup> See 1997 *Universal Service Order*, 12 FCC Rcd at 8957, ¶ 341; 2004 *Lifeline Order*, 19 FCC Rcd at 8306, ¶ 4; See also C.F.R. §§ 54.411(a)(1), (c).

<sup>76</sup> See *supra* n.69.

<sup>77</sup> See, e.g., *Federal-State Joint Board on Universal Service, Order*, 20 FCC Rcd 6371, 6402, ¶ 72 (2005).

## V. ORDERING CLAUSES

31. ACCORDINGLY, IT IS ORDERED THAT, pursuant to section 503(b) of the Communications Act of 1934, as amended, 47 U.S.C. § 503(b), and section 1.80 of the Commission's rules, 47 C.F.R. § 1.80, that VCI is hereby NOTIFIED of its APPARENT LIABILITY FOR A FORFEITURE in the amount of \$1,047,000 for willfully or repeatedly violating the Commission's rules.

32. IT IS FURTHER ORDERED THAT, pursuant to section 1.80 of the Commission's Rules,<sup>78</sup> within thirty days of the release date of this NOTICE OF APPARENT LIABILITY, VCI SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

33. IT IS FURTHER ORDERED THAT, pursuant to sections 4(i) of the Act,<sup>79</sup> and sections 54.407(c) and 54.413(b) of the Commission's rules,<sup>80</sup> within thirty days of the release of this NOTICE OF APPARENT LIABILITY AND ORDER, VCI SHALL SUBMIT to USAC revised FCC Form 497s excluding all requests for duplicate universal service reimbursement for qualifying low-income customers served from August 2004 to August 2007.

34. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Acct. No. and FRN No. referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank /LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number \_\_\_\_\_, receiving bank Mellon Bank, and account number \_\_\_\_\_

**REDACTED**

35. The response, if any, to this NOTICE OF APPARENT LIABILITY must be mailed to Hillary S. DeNigro, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room 4-C330, Washington, D.C. 20554 and must include the NAL/Acct. No. referenced above.

36. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices (GAAP); or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

37. Requests for payment of the full amount of this NOTICE OF APPARENT LIABILITY FOR FORFEITURE under an installment plan should be sent to Deputy Chief Financial Officer, Federal Communications Commission, Room 1-A637, 445 12th Street, S.W., Washington, D.C. 20554.<sup>81</sup>

38. IT IS FURTHER ORDERED that a copy of this NOTICE OF APPARENT LIABILITY FOR FORFEITURE shall be sent by certified mail, return receipt requested, to B. Lynn F. Ratnavale, Lukas, Nace, Gutierrez & Sachs, 1650 Tysons Boulevard, Suite 1500, McLean, Virginia, 22102.

<sup>78</sup> See 47 C.F.R. § 1.1914.

<sup>79</sup> 47 U.S.C. § 4(i).

<sup>80</sup> 47 C.F.R. §§ 54.407(c) and 54.413(b).

<sup>81</sup> See 47 C.F.R. § 1.1914.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

# EXHIBIT RJC-8



**From:** staceyk@vcicompany.com [mailto:staceyk@vcicompany.com]  
**Sent:** Tuesday, September 18, 2007 5:45 PM  
**To:** Bob Casey  
**Cc:** Lynn Deamer; Intesar Terkawi  
**Subject:** Vilaire Communications ("VCI") Audit, Audit Control No. 07-250-1-2

Bob:

Let me explain in more detail VCI's concerns about the audit the Florida PSC intends to conduct and the company's need for clarification.

The Company is in receipt of the Commission's September 7, 2007 letter announcing the Commission's intention to commence an audit. The letter does not cite the statutory and/or regulatory authority for the Commission to conduct the audit. On Friday of last week, Stan Efferding received several data requests via e-mail from Intesar Terkawi. The e-mail data requests indicate that the purpose of the audit is Review of Regulatory Assessment Fees Reported for 2006, but the data requested include documents submitted to USAC in 2007, which have nothing to do with 2006 RAFs. Mr. Efferding attempted unsuccessfully to reach Intesar at the PSC telephone number listed on the bottom of the e-mail. Mr. Efferding then obtained a (407) area code telephone number, called it, and reached a voice mail message that did not identify the individual as connected with the Florida PSC. Mr. Efferding eventually spoke with Intesar at the (407) area code number, who told Stan that VCI was the subject of a random audit that was also being conducted on several other Florida ETCs. Intesar asked for responses to the Monday data requests to be submitted today, just two business days after VCI received the requests. Today, after reviewing some of the data requests, Stan Johnson and I spoke with Intesar, who told us that the purpose of the audit is to "determine whether the carrier has submitted accurate underlying company data for calculation of universal service support for 2006 and 2007." Intesar also stated that USAC had requested the audit by telephone to the Commission. I asked Intesar the name of the person who would have received the audit request from USAC and Intesar was unable to tell me. I then addressed my concerns to you.

I think you will agree that the above inconsistencies merit clarification on the part of the PSC of the purpose and scope of this audit. First of all, under what statutory or regulatory authority is the Commission conducting the audit of a federal program? Second, what are the Commission's "audit procedures" as mentioned in the September 7, 2007 letter. Third, why has VCI been chosen to be the subject of an audit – was VCI chosen at random with other ETCs or was the audit requested by or suggested by the USAC? Has there been correspondence or communications between the Commission and the USAC concerning VCI? Fourth, what is the scope of the audit? Fifth, which individuals are conducting the audit, what are their titles and how are these individuals connected with the PSC? Fifth, how are documents and responses to be submitted to the Commission under the audit and are these documents and responses to be treated as confidential information?

Finally, a review of the data requests demonstrates that the Commission is requesting from VCI some information that is either 1) publicly available to the Commission or 2) that has already been submitted to the Commission under previous data requests. For example, data request no. 2 asks for filings and correspondence submitted by VCI to USAC, which are public information available from USAC; Data Request No. 6 requests information about TLS that was provided to the Commission in response to a previous Commission inquiry; and Data Request No. 7 requests an explanation for the reason of discontinuing the service in the states of Oregon and Washington, which also is publicly available on documents filed with the FCC, Washington Utilities and Transportation Commission and Public Utilities Commission of Oregon.

VCI requests a more in depth explanation and justification of the Commission's intended audit as discussed above. I look forward to receiving a written response to this request for clarification.

Sincerely,  
VCI Company  
Stacey A. Klinzman  
Tel: 253.830.0056

# EXHIBIT RJC-9

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida.	DOCKET NO. 080065-TX ORDER NO. PSC-08-0090-PAA-TX ISSUED: February 13, 2008
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The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman  
LISA POLAK EDGAR  
KATRINA J. McMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION  
ORDER RESCINDING ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS AND  
CANCELLATION OF CLEC CERTIFICATE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

**I. Background**

Vilaire Communications, Inc. (VCI or Vilaire) is a Florida Public Service Commission (FPSC or Commission) certificated competitive local exchange company (CLEC) which provides service in BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast Florida's (AT&T) territory. On May 22, 2006, we designated VCI as an Eligible Telecommunications Carrier (ETC) in AT&T's service area.<sup>1</sup> VCI's purpose in seeking ETC status was solely to provide Link-Up and Lifeline services to low-income Florida consumers. All VCI customers participate in the Lifeline program. No Universal Service high-cost funding has been sought by VCI in Florida. VCI is a privately held company headquartered in Lakewood, Washington, and is authorized to conduct business as a foreign corporation in the state of Florida. It operates or has obtained authority to operate in 15 states.

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<sup>1</sup> Order PSC-06-0436-PAA-TX, issued May 22, 2006, in Docket No. 060144-TX.

As part of our ongoing effort to monitor Universal Service Funds being distributed to ETCs in Florida, our staff reviews the Universal Service Administrative Company's (USAC) disbursement database on a monthly basis. Because of the rapid growth in Lifeline customers served by VCI,<sup>2</sup> and this Commission's commitment to monitor Universal Service Funds received by ETCs, a data request was sent to VCI on May 4, 2007, seeking information on VCI's policies regarding Link-Up and Lifeline. VCI provided its responses to the data request on June 15, 2007.

On August 15, 2007, the Federal Communications Commission (FCC) released a "Notice of Apparent Liability for Forfeiture and Order"<sup>3</sup> against VCI. The Order found that VCI violated FCC rules by repeatedly failing to keep and provide the USAC accurate records of revenues it was forgoing in providing Link Up and Lifeline service in Minnesota, Oregon, and Washington. In addition, the FCC found that VCI violated federal law by willfully or repeatedly receiving duplicate reimbursement for qualifying low-income consumers served and determined that VCI is liable for a total forfeiture of \$1,047,500. The FCC ordered VCI to submit revised Form 497s to USAC within 30 days excluding all requests for duplicate universal service reimbursement for qualifying low-income customers served from August 2004 to August 2007. VCI relinquished ETC status and ceased all telecommunications service operations in Washington on January 11, 2007, and in Oregon on February 1, 2007.

On September 7, 2007, VCI received notification via letter that an audit of the low-income Florida USAC programs would be conducted in accordance with our audit procedures. On September 18, 2007, VCI called and sent a subsequent email questioning our authority to conduct an audit of Universal Service Funds. VCI requested something in writing defining our authority to initiate an audit. On September 19, 2007, a conference call was conducted with VCI explaining our authority to conduct an audit, after which VCI withdrew its request for a written explanation concerning our legal authority.

Our staff auditor's report was issued November 5, 2007. A post-audit conference call was held with VCI on November 27, 2007, to discuss the audit findings. VCI was advised during the call that it had the opportunity to submit a written reply to the audit if it chose to do so. No written reply was received from VCI. On January 9, 2008, another conference call was held with VCI to provide it the opportunity to explain some of the audit findings and additional information obtained from USAC and AT&T. This Order addresses our staff auditor's findings, information received from USAC, and information obtained by subpoena from VCI's underlying carrier in Florida, AT&T.

Time is of the essence in addressing VCI's apparent misconduct. Since VCI began receiving reimbursement for low-income support in August 2006, it has received over \$1.3

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<sup>2</sup> VCI's Florida reimbursements from USAC went from \$5,197 in August 2006 to \$80,004 in December 2007 with the highest month being March 2007, with \$157,041 being reimbursed.

<sup>3</sup> In the Matter of VCI Company Apparent Liability for Forfeiture, File No. EB-07-IH-3985, NAL/Acct. No. 200732080033, FRN No. 0015783004, FCC 07-148, Released August 15, 2007.

million in Universal Service Funds for providing Link-Up and Lifeline services to consumers in Florida. During November and December 2007, VCI received an average of over \$20,000 a week in Universal Service Fund disbursements for Link-Up and Lifeline reimbursement in Florida. Our staff also discovered VCI was overcharging customers for E911 service. We are vested with authority under Section 364.10(2), Florida Statutes (F.S.), to regulate eligible telecommunications carriers pursuant to 47 C.F.R. Section 54.201.

## **II. Analysis and Decision**

### **A. Refund of Excess E911 fees.**

During the audit of VCI's Link-Up and Lifeline procedures, our staff auditors requested a sample of VCI's monthly customer bills. While analyzing the monthly bills, it was discovered that VCI was billing its customers \$0.75 per month for an E911 fee. Section 365.172(8)(3)(f), F.S., provides that:

The rate of the fee shall be set by the board after considering the factors set forth in paragraphs (h) and (i), but may not exceed 50 cents per month per each service identifier. The fee shall apply uniformly and be imposed throughout the state, except for those counties that, before July 1, 2007, had adopted an ordinance or resolution establishing a fee less than 50 cents per month per access line. In those counties the fee established by ordinance may be changed only to the uniform statewide rate no sooner than 30 days after notification is made by the county's board of county commissioners to the board.

Our staff advised VCI of the maximum E911 fee allowed in Florida during the January 9, 2008, conference call. Some monthly bills included customers who were located in counties which have an E911 fee less than the maximum \$0.50 monthly fee. VCI indicated that it would refund any excess E911 fees collected. We requested that VCI provide a worksheet showing the total amount of E911 overcharges, along with its proposed plan for refunding the excess fees to current and former customers.

On January 16, 2008, VCI provided a worksheet showing E911 overcharges and its proposed plan for refunds. However, the worksheet showed almost 60,000 less access lines than VCI claimed for Lifeline reimbursement from the USAC. Therefore, we find it appropriate to order VCI to provide a revised worksheet showing the total amount of E911 overcharges since VCI received certification in Florida. The worksheet shall be provided within 30 days of this Order, and VCI shall refund those overcharges within ninety days of this Order in accordance with Rule 25-4.114, Florida Administrative Code (F.A.C.). In addition, a preliminary refund report shall be made within 30 days after the date the refund is completed and again 90 days thereafter. A final report shall be made after all administrative aspects of the refund are completed. Unclaimed refunds and refunds less than one dollar shall be remitted to this Commission for deposit in the state of Florida General Revenue Fund.

**B. Rescinding VCI's eligible telecommunications carrier status**

Under the low-income support mechanism, the Link-Up and Lifeline programs provide discounts to qualifying low-income consumers for basic telephone service. In addition, qualifying low-income consumers have the option to elect Toll Limitation Service (TLS) at no extra charge to avoid a deposit requirement. Link-Up provides qualifying low-income consumers with a 50% discount (maximum \$30) on initial costs of installing telephone service. The low-income mechanism allows an ETC providing services to qualifying low-income consumers to seek and receive reimbursement from the Federal Universal Service Fund (USF) for revenues it forgoes as a result. In order for a carrier to receive low-income support, the carrier must first be designated as an ETC.

We granted ETC status on May 22, 2006. By receiving ETC status in Florida, VCI is able to receive low-income support from the USF. The following table shows the amounts received by VCI since becoming an ETC in Florida.

Month/Year	Lifeline	Link-Up	TLS	Total
December 2007	\$57,955	\$14,912	\$7,137	\$80,004
November 2007	\$66,634	\$14,728	\$6,200	\$87,562
October 2007	\$41,492	\$10,410	\$5,103	\$57,005
September 2007	\$59,693	(\$1,876)	\$5,632	\$63,449
August 2007	\$53,871	\$23,877	\$(18,204)	\$59,544
July 2007	\$33,405	\$4,261	\$11,556	\$49,222
June 2007	\$64,246	\$51,378	\$25,353	\$140,977
May 2007	\$71,442	\$33,420	\$27,881	\$132,743
April 2007	\$81,093	\$24,690	\$32,244	\$138,027
March 2007	\$79,913	\$41,400	\$35,728	\$157,041
February 2007	\$61,936	\$30,845	\$32,285	\$131,066
January 2007	\$37,839	\$67,689	\$29,466	\$134,994
December 2006	\$19,825	\$7,527	\$8,162	\$35,514
November 2006	\$8,333	\$16,989	\$7,062	\$32,384
October 2006	\$4,681	\$4,030	\$2,483	\$11,194
September 2006	\$1,651	\$3,090	\$1,321	\$6,062
August 2006	\$1,021	\$3,060	\$1,116	\$5,197
<b>Total</b>	<b>\$745,030</b>	<b>\$350,430</b>	<b>\$224,525</b>	<b>\$1,319,985</b>

**Lifeline**

47 C.F.R. Section 54.201(d)(1) provides that an ETC must offer the services that are supported by federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. 47 C.F.R. Section 54.201(i) provides that an ETC cannot offer the services that are supported by federal universal service support mechanisms exclusively through the resale of another carrier's services. At the time of its ETC designation petition, VCI stated that it would offer all of the supported services using a combination of its own facilities and resale of another carrier's services.<sup>4</sup>

<sup>4</sup> See February 16, 2006, VCI Application for Designation as an Eligible Telecommunications Carrier in the State of Florida in BellSouth Telecommunications Inc. service area. (Page 7, ¶ 14)

ETCs in Florida provide a \$13.50 discount to Lifeline customers' monthly bills. For ETCs that serve the Lifeline customer through a leased network element, \$10.00 of that discount is reimbursable from the USF through the USAC. For ETCs which serve the Lifeline customer through resale of Lifeline service, a \$10.00 credit is applied to that ETC's monthly bill by the underlying ETC which in this case is AT&T. The ETC is not entitled to directly collect \$10.00 from the USAC. AT&T in turn files for, and receives reimbursement from, the USAC for the \$10.00 credit provided to VCI. The other \$3.50 discount for consumers is provided by VCI.

VCI is receiving double compensation by receiving a \$10.00 Lifeline credit from AT&T for each resale Lifeline customer, and also filing for and receiving a \$10.00 reimbursement from the USAC for each resale Lifeline customer. Our analysis also shows that from June 2006 through November 2006, VCI received USF monies but did not provide universal service support using a combination of its own facilities and resale of another carrier's services, as required by 47 C.F.R. Section 54.201(i). It operated strictly as a reseller in those months. We find that VCI was overpaid \$744,880 from the USF for Lifeline customers from June 2006 through December 2007.

#### Link-Up

The Link-Up program helps low-income consumers initiate telephone service by paying one-half (up to a maximum of \$30) of the initial installation fee for a traditional, wireline telephone or activation fee for a wireless telephone. It also allows participants to pay the remaining amount on a deferred schedule, interest-free.

VCI has a normal \$150 installation fee for initiation of service. For Lifeline customers, VCI charges a \$120 installation charge after a \$30 Link-Up credit for initiation of service. VCI allows the customers to pay this hook-up charge at \$10/month for 12 months. AT&T's tariffed connection charge is \$46.00. For resold services, AT&T's connection charge is \$35.96 (after a 21.83% resale discount) to VCI. Since this connection is for a Lifeline customer, AT&T passes through a credit of \$23.00 (50% of \$46.00) to VCI and receives reimbursement from the USAC for passing through this Link-Up credit. VCI's final cost for the Lifeline customer hook-up charge is \$12.96 (\$35.96-\$23.00).

Our analysis of VCI's Link-Up charges for Lifeline customers shows that in addition to receiving a \$23.00 USF resale Link-Up credit from AT&T, VCI files for and receives a \$30.00 Link-Up reimbursement from the USAC for its resold Lifeline access lines. The maximum credit allowed by Federal rule is 50% of the hook-up charge or \$30, whichever is greater. Based on conversations with the USAC, only one Link-Up USAC payment is allowed per access line. In this case, the appropriate Link-Up credit would be \$23.00 (50% of the AT&T tariffed charge of \$46.00) for the resold Link-Up line. VCI cannot file for a \$30.00 reimbursement or the \$7.00 difference between the \$23.00 credit and the \$30.00 maximum cap. In addition, our staff auditors discovered that VCI submitted 546 duplicate phone numbers to the USAC for reimbursement of Link-Up monies during the period June 1, 2006 through June 30, 2007. We find that VCI was overpaid \$350,370 from the USF for Link-Up customers since becoming an ETC in Florida.

TLS

Toll Limitation Service (TLS) is an optional service which includes toll blocking (allows subscribers to block outgoing toll calls) and toll control (allows subscribers to limit in advance their toll usage per month or billing cycle). An ETC may not collect a service deposit in order to initiate Lifeline service if the qualifying low-income consumer voluntarily elects toll blocking. If the qualifying low-income consumer elects not to place toll blocking on the line, an eligible telecommunications carrier may charge a service deposit. Section 364.10(2)(b), F.S., provides that:

An eligible telecommunications carrier shall offer a consumer who applies for or receives Lifeline service the option of blocking all toll calls or, if technically capable, placing a limit on the number of toll calls a consumer can make. The eligible telecommunications carrier may not charge the consumer an administrative charge or other additional fee for blocking the service.

ETCs are allowed to receive reimbursement from the USF for the incremental costs of providing TLS. By definition, incremental costs include the costs that carriers otherwise would not incur if they did not provide toll-limitation service to a given customer. ETCs are not allowed to receive support for their lost revenues in providing toll-limitation services (defined as the amount customers normally would pay for the service).<sup>5</sup> Incremental costs do not include overhead and costs for services or equipment used for non-toll limitation purposes.

In VCI's original petition for ETC status in Florida, it stated that it will provide the toll limitation service that AT&T has the technological capacity to provide.<sup>6</sup> In response to a November 30, 2007, staff data request, AT&T stated that it does not bill VCI for providing TLS to VCI's Lifeline customers. The USAC disbursement records show that VCI has received \$224,525 in TLS reimbursement from the USF from June 2006 through December 2007.

When VCI was questioned about claiming the incremental cost of providing TLS from the USAC, it stated that AT&T's toll-blocking has leaks and it had to develop its own TLS system in addition to using AT&T's toll blocking to plug the leaks. VCI stated that customers would incur toll costs by dialing 411 or the operator. A subsequent inquiry to AT&T shows that VCI customers are unable to dial 411 or the operator using AT&T's toll-blocking service. VCI claimed customers could dial around and incur toll charges. When asked how VCI Lifeline customers can dial 411, it replied by using a 1-800 number to VCI's offices to get a VCI operator. We believe this does not create a leak in AT&T's toll-blocking service. It only creates an avenue for VCI to charge for 411 or operator services using VCI operators.

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<sup>5</sup> In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Released May 8, 1997, FCC 97-157 (¶ 386).

<sup>6</sup> See February 16, 2006, VCI Application for Designation as an Eligible Telecommunications Carrier in the State of Florida in BellSouth Telecommunications Inc. service area. (Page 10, ¶ 16)



During the January 9, 2008, conference call with VCI, VCI was asked to provide a detailed breakdown of VCI's incremental cost showing recurring and non-recurring costs incurred to provide TLS service to Lifeline customers. VCI filed its response on January 16, 2008, providing a listing of equipment and costs to provide TLS service to Lifeline customers. Since the equipment listed by VCI could also be used for purposes other than TLS, we find that the equipment is not reimbursable from the USAC through the TLS program.

Since AT&T does not charge VCI for its toll-blocking service for Lifeline customers, VCI does not incur any incremental cost for providing TLS to its Lifeline customers. Therefore, we find that VCI was overpaid \$224,525 for reimbursement of costs to provide TLS.

#### USAC Form 497

In order for ETCs to receive reimbursement for providing Lifeline, Link-Up and TLS services to customers it serves using its own facilities,<sup>7</sup> ETCs file what is known as Form 497 with the USAC. The form is divided into three categories – Lifeline, Link-Up, and TLS. ETCs enter the number of Lifeline, Link-Up and TLS customers in each category along with the dollar amounts requested from the USAC. An officer of the ETC company is required to sign the form certifying that the data contained in the form has been examined and is true, accurate, and complete.

As part of the investigation of VCI's Lifeline and Link-Up practices, we reviewed each monthly Form 497 submitted to the USAC by VCI for Florida. We also obtained (by subpoena) information from VCI's underlying carrier (AT&T) in order to compare the number of resale and leased network element Lifeline access lines provided to VCI by AT&T, and the number of Lifeline, Link-Up, and TLS access lines claimed on VCI's Form 497s submitted to the USAC. Our examination showed that VCI improperly completed the Form 497s by claiming multiple thousands of access lines which were actually resale Lifeline customers for which it had already received reimbursement through AT&T's resale Lifeline program.

The disparity between actual AT&T access lines used by VCI and the amount of access lines claimed on the Form 497s has increased dramatically in recent months. Based on access line information obtained by subpoena from AT&T, VCI has been reporting not only resale Lifeline access lines for which it already receives a credit for from AT&T, but also non-existent access lines in the thousands for which it received reimbursement from the USAC.

#### C. Designation and Revocation of ETC Status

State commissions have the primary responsibility for performing ETC designations. 47 C.F.R. Section 54.201(c), provides that:

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<sup>7</sup> Resale Lifeline and Link-Up reimbursement is received through an ETC's underlying ETC carrier.

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.

CFR Rule 54.201(d), provides that carriers designated as ETCs shall, throughout the designated service area: (1) offer the services that are supported by federal universal support mechanisms either using their own facilities or a combination of their own facilities and the resale of another carrier's services, and (2) advertise the availability of such services and the related charges therefore using media of general distribution.

In addition to state commissions having the primary responsibility for performing ETC designations, they also possess the authority to rescind ETC designations for failure of an ETC to comply with the requirements of Section 214(e) of the Telecommunications Act or any other conditions imposed by the state.<sup>8</sup> The FCC found that individual state commissions are uniquely qualified to determine what information is necessary to ensure that ETCs are complying with all applicable requirements, including state-specific ETC eligibility requirements.<sup>9</sup>

Section 214(e) requires that an ETC offer the services that are supported by Federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services. For six months, VCI operated as a strict reseller and did not meet this requirement. Section 214(e) also requires that VCI's ETC designation should be consistent with the public interest, convenience, and necessity.<sup>10</sup> Based on our investigation, we believe this requirement has not been met by VCI.

Our analysis indicates that VCI has been receiving USAC payments for Florida Link-Up and Lifeline customers and also receiving credits from AT&T for the same Link-Up and Lifeline customers. VCI has consistently overstated the number of access lines eligible for reimbursement from the USAC. Based on access line information obtained by subpoena from AT&T, VCI has been reporting ineligible resale Lifeline access lines and non-existent access lines in the thousands for which it received reimbursement from the USAC.

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<sup>8</sup> In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Released March 17, 2005, FCC 05-46 (¶ 71-72)

<sup>9</sup> Id.

<sup>10</sup> § 54.201(c), Code of Federal Regulations.

VCI has received a \$10 monthly credit for Lifeline customers from AT&T and also filed for and received a \$10 Lifeline payment from the USF fund for each resale Lifeline customer. VCI has been receiving a \$23.00 resale Link-Up credit from AT&T and has also filed for and received a \$30 Link-Up reimbursement for the same customers. VCI has filed for and received reimbursement for incremental costs of providing TLS when VCI did not incur any TLS incremental costs.

We find that VCI was overpaid \$1,319,775 in Florida through the Link-Up, Lifeline, and TLS programs from August 2006 through December 2007. VCI has been obtaining double compensation by receiving resale Link-Up and Lifeline credits from AT&T, while at the same time receiving Link-Up, Lifeline, and TLS monies from the USF for the same customers. We find that because of VCI's misuse of the Federal Universal Service Fund, it is no longer in the public interest to allow VCI to retain ETC designation in Florida. Therefore, we find it appropriate to rescind VCI's ETC status. We direct our staff to forward the results of our investigation along with this Order to USAC, the Federal Communications Commission, and the Department of Justice for further follow-up to recover federal USF funds obtained by VCI through misrepresentations made to USAC.

#### D. Cancellation of CLEC Certificate

Vilaire Communications, Inc. was granted Certificate No. 8611 to provide Competitive Local Exchange Company (CLEC) service in Florida on January 10, 2006.<sup>11</sup> In that Order, we noted that it appeared that Vilaire had sufficient technical, financial, and managerial capability to provide such service. Based on our investigation, we find that VCI no longer has the technical, financial, and managerial capability to provide CLEC service in the state of Florida. Rule 25-24.572(1) provides that this Commission may cancel a company's certificate for any of the following reasons:

- (a) Violation of the terms and conditions under which the authority was originally granted;
- (b) Violation of Commission rules or orders; or
- (c) Violation of Florida Statutes.

In addition, we discovered the following during our investigation:

- Seven phone numbers of the 130 sample invoices from Florida obtained by our staff auditors contained area codes for Canada, Georgia, Texas, Michigan, one fictitious area code, and two area codes that are not even assigned yet. However, each of the addresses on the bills had Florida addresses. These bills may not represent real customers.
- The telephone numbers provided on the 130 invoices were called and we determined that 77 numbers were disconnected, 9 had recordings that the numbers were not in service, 4 were

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<sup>11</sup> PSC-06-0035-PAA-TX, issued January 10, 2006, in Docket No. 050865-TX.

business numbers not eligible for Lifeline, 2 were consumers that stated they were not customers of VCI, and 1 was a consumer who stated he was a VCI customer but not on the Lifeline program. Two customers confirmed that VCI was their provider of service and that they were participants in the Lifeline program.

- A check of the 130 sample VCI invoices also showed that every customer was paying a \$10 late fee. VCI was asked how all 130 customers in the random sample could have paid their bill late. VCI replied that it was a coincidence. During calls to verify the VCI customers, one customer stated that VCI's payment was automatically paid from his checking account, and it still showed a late payment on his invoice.

We find that it is no longer in the public interest to allow Vilaire to provide telecommunications service in Florida. Vilaire's certificate was granted based on Vilaire having sufficient technical, financial, and managerial capability to provide CLEC service. Given the issues brought to light, we find that that Vilaire no longer possesses the technical, financial, and managerial capability as required by Section 364.337(3), F.S., to provide CLEC service in the state of Florida. Therefore, we find it appropriate to cancel Vilaire Communications, Inc.'s Competitive Local Exchange Company Certificate No. 8611 for its demonstrated lack of technical, financial, and managerial capability to operate a telecommunications company in Florida, effective as of the date of the consummating order. VCI shall continue to have an obligation to pay the applicable regulatory assessment fees (RAFs) and determined refund of the E911 overcharges. If Vilaire Communications, Inc.'s certificate is cancelled and the company does not pay its RAFs, the collection of the RAFs shall be referred to the Florida Department of Financial Services, for further collection efforts.

E. Waiver of carrier selection requirements of Rule 25-4.118, F.A.C.

The Code of Federal Regulations addresses situations where ETCs voluntarily request relinquishment of its ETC status. In this case, VCI is not requesting relinquishment of its ETC status in Florida. However, it is our concern that existing VCI Lifeline customers continue to be served once VCI's ETC status is rescinded and CLEC certification cancelled. 47 C.F.R. Section 54.205(b) provides that:

Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed.

We find it appropriate that VCI's underlying carrier, AT&T, shall provision service to VCI's customers. We also find it appropriate that AT&T serve VCI's existing Lifeline customers during a transitional period where former VCI customers can choose to stay with AT&T or select another carrier of their choice.

Pursuant to Rule 25-4.118(1), F.A.C., a customer's carrier cannot be changed without the customer's authorization. Rule 25-4.118(2), F.A.C., provides that a carrier shall submit a change request only if one of the following has occurred:

- (a) The provider has a letter of agency (LOA) . . . from the customer requesting the change;
- (b) The provider has received a customer-initiated call for service . . . ;
- (c) A firm that is independent and unaffiliated with the provider . . . has verified the customer's requested change . . .

Pursuant to Rule 25-24.845, F.A.C., Rule 25-4.118, F.A.C., is incorporated into Chapter 25-24, and applies to CLECs. Section 364.337(2), F.S., states in pertinent part;

A certificated competitive local exchange telecommunications company, may petition the commission for a waiver of some or all of the requirements of this chapter, except ss. 364.16, 364.336, and subsections (1) and (5). The Commission may grant such petition if determined to be in the public interest.

The authority for Rule 25-4.118, F.A.C., is found in Section 364.603, F.S., which is a section that we are authorized to waive under Section 364.337(2), F.S.

AT&T shall provide for a seamless transition with the least amount of disruption to the customers. The customers should not experience any interruption of service or switching fees. We direct our staff to contact VCI's affected customers to notify them of the change to AT&T and to advise them of their available choices. AT&T shall provide all necessary customer information of current VCI customers to allow notification.

Additionally, we find it appropriate to waive the carrier selection requirements of Rule 25-4.118, F.A.C. If prior authorization is required in this event, customers may fail to respond to a request for authorization or neglect to select another carrier. Furthermore, we find that granting this waiver will avoid unnecessary slamming complaints during this transition.

Therefore, we hereby approve the waiver of the carrier selection requirements of Rule 25-4.118, F.A.C., to allow VCI customers who do not select another carrier to seamlessly transfer over to AT&T effective as of the date of the consummating order. AT&T shall serve VCI's existing Lifeline customers during a transitional period where former VCI customers can choose to stay with AT&T at AT&T's Lifeline existing rates and terms or select another carrier of their choice. AT&T shall also provide all necessary customer information of current VCI customers to allow for notification.

If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this Order shall become final and effective upon issuance of a Consummating Order. This docket shall remain open in order for VCI to complete the determined refund of excess E911 overcharges and verify the transition of VCI customers to AT&T after which time, this docket shall be closed administratively.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Vilaire Communications, Inc. shall provide our staff with a revised worksheet showing the total amount of E911 overcharges since it received certification for Florida within 30 days of this order. It is further

ORDERED that Vilaire Communications, Inc. shall refund those overcharges within 90 days of this Order in accordance with Rule 25-4.114, F.A.C. A preliminary refund report shall be made within 30 days after the date the refund is completed and again 90 days thereafter. A final report shall be made after all administrative aspects of the refund are completed. Unclaimed refunds and refunds less than one dollar shall be remitted to this Commission for deposit in the state of Florida General Revenue Fund. It is further

ORDERED that Vilaire Communications, Inc.'s eligible telecommunications carrier status is hereby rescinded. It is further

ORDERED that for its demonstrated lack of technical, financial, and managerial capability to operate a telecommunications company in Florida, Vilaire Communications, Inc.'s Competitive Local Exchange Company Certificate No. 8611 is hereby cancelled. It is further

ORDERED that Vilaire Communications, Inc. shall continue to have an obligation to pay the applicable regulatory assessment fees (RAFs). It is further

ORDERED that if Vilaire Communications, Inc.'s certificate is cancelled and the company does not pay its RAFs, the collection of the RAFs shall be referred to the Florida Department of Financial Services, for further collection efforts. It is further

ORDERED that the carrier selection requirements of Rule 25-4.118, F.A.C., be waived to allow Vilaire Communications Inc.'s customers who do not select another carrier to seamlessly transfer over to BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast Florida. It is further

ORDERED that BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast Florida shall serve VCI's existing Lifeline customers during a transitional period where former VCI customers can choose to stay with AT&T at AT&T's existing Lifeline rates and terms or select another carrier of their choice. It is further

ORDERED that BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast Florida shall provide to our staff all necessary customer information of current Vilaire Communications, Inc. customers to provide notifications of transfer of service. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall remain open in order for Vilaire Communications, Inc. to complete the determined refund of excess E911 overcharges and verify the transition of VCI customers to AT&T after which time, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 13th day of February, 2008.

/s/ Ann Cole

ANN COLE

Commission Clerk

This is an electronic transmission. A copy of the original signature is available from the Commission's website, [www.floridapsc.com](http://www.floridapsc.com), or by faxing a request to the Office of Commission Clerk at 1-850-413-7118.

(SEAL)

TLT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 5, 2008.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.



# EXHIBIT RJC-10



Fort Lauderdale  
Jacksonville  
Los Angeles  
Madison  
Miami  
New York  
Orlando  
Tallahassee  
Tampa  
Tysons Corner  
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West Palm Beach

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Tallahassee, FL 32301  
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CLERK

March 5, 2008

**VIA HAND DELIVERY**

Ms. Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 080065-TX - In re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida.**

Dear Ms. Cole:

Enclosed for filing in the above-referenced Docket, please find an original and fifteen (15) copies of a Protest of Proposed Agency Action Order no. PSC-08-0090-PAA-TX, and Petition for Formal Hearing, submitted this day on behalf of Vilaire Communications, Inc.

- CMP
- COM
- CTR
- ECR
- GCL
- OPC
- RCA
- SCR
- SGA
- SEC
- OTH

If you have any questions whatsoever, please do not hesitate to contact me.

Sincerely,

**Beth Keating**  
**AKERMAN SENTERFITT**  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32302-1877  
Phone: (850) 224-9634  
Fax: (850) 222-0103

Enclosures  
cc: Stacey Klinzman

{TL152074:1}

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida.	DOCKET NO. 080065-TX  FILED MARCH 5, 2008
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**VILAIRE COMMUNICATIONS, INC.'S PROTEST OF PROPOSED AGENCY ACTION  
ORDER NO. PSC-08-0090-PAA-TX ISSUED FEBRUARY 13, 2008  
AND PETITION FOR FORMAL HEARING**

Pursuant to Rule 25-22.029(3), and in accordance with Rule 28-106.201 Florida Administrative Code, Vilaire Communications, Inc. ("VCI" or "Petitioner") hereby submits this Protest of Proposed Agency Action Order No. PSC-08-0090-PAA-TX, issued February 13, 2008 and Request for Hearing under Section 120.57(1), Florida Statutes.

**I. BACKGROUND**

A. VCI holds Competitive Local Exchange Carrier ("CLEC") Certificate No. 8611 and was designated an ETC on May 22, 2006 in Docket No. 060144-TX. The company provides local exchange service to Lifeline and Link-Up eligible Florida consumers, in accordance with federal law and Federal Communication Commission rules, in the service area of Bell South Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast Florida ("AT&T"). VCI Company obtains reimbursement from the low-income division of the Universal Service Administrative Company ("USAC"). VCI does not seek or obtain reimbursement from the high-cost division of the USAC.

B. The Florida Public Service Commission ("Commission") has submitted data requests seeking information about VCI's Lifeline and Link-Up policies and procedures on two occasions. In May 2007, the Commission requested information about the company's toll limitation service policies and procedures. Second, the Commission conducted a September

2007 audit of the low-income Florida USAC programs. In both instances, VCI cooperated fully with staff and complied with data requests in a timely manner. No further action was taken by the Commission with respect to VCI's responses pertaining to the May 4, 2007 inquiry into the company's toll limitation policies and procedures.

C. On November 19, 2007, the auditor issued her report on the audit of VCI with respect to the Low Income USAC programs ("Audit Report"). VCI participated in a teleconference with audit and Commission staff on November 28, 2007 ("November 28 Conference"), during which the company responded to staff's questions regarding the Audit Report. Among other things, VCI addressed staff's concerns about alleged duplicate Link-Up payments. VCI informed staff that if duplicate payments were, in fact, obtained, the company could submit a corrected Form 497 to the USAC.

D. VCI was informed at the November 28 Conference that the audit was complete and the company had the option, but was not required, to submit additional information in response to the Audit Report. VCI also was informed that whether or not VCI filed a response to the Audit Report, a telecommunications analyst would review the Audit Report and likely request additional information. Based on staff's statements, VCI opted not to file a response to the Audit Report.

E. VCI participated in a second teleconference with staff on January 9, 2008 ("January 9 Conference") at which the company addressed staff's prepared and e-mailed questions, as well as additional questions posed during the conference.

F. VCI addressed, among other things, staff's concerns about VCI's TLS system, VCI's late fee, typographical errors in area codes and staff's inability to contact certain customers by telephone. VCI admitted that it had mistakenly overcharged consumers the 911 surcharge and agreed to file a worksheet detailing the extent of the overcharges together with a

refund plan. On January 16, 2008, VCI filed written responses to additional questions generated by staff during the January 9 Conference.

G. On January 31, 2008, staff issued a recommendation suggesting that the Commission take punitive action against VCI for alleged misconduct ("Recommendation"). In the Recommendation, staff outlined for the first time, concrete and specific allegations that could be addressed by the company. VCI learned for the first time, also, that staff's allegations were based on documents that had been subpoenaed from ATT, which documents VCI had not had an opportunity to review. VCI filed a public records request with the Commission on February 7, 2008, asking, in sum, for all information on which staff based its allegations.

H. VCI attended the agenda conference held February 12, 2008, and addressed several of staff's allegations not based on information submitted by VCI under cover of confidentiality. The Commission approved staff's recommended proposed agency action on February 12, 2008, and issued Order No. PSC-08-0090-PAA-TX on February 13, 2008 ("Order"), memorializing that decision.

## II. PROTEST AND REQUEST FOR HEARING

With one noted exception, VCI protests each specific finding, conclusion, and proposed penalty set forth in the Order, as more specifically pled below, and requests a hearing to resolve these disputed issues of fact and law. VCI asserts that grounds do not exist, either in fact or in law, to warrant the proposed agency action set forth in the Order. VCI submits the following information in accordance with Rule 28-106.201, Florida Administrative Code:

A. The name and address of the affected agency and the agency's file or identification number is:

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
Docket No. 080065-TX

B The name, address, and telephone number of the Petitioner are:

VCI Company (doing business in Florida as Vilaire Communications, Inc.)  
2228 S. 78<sup>th</sup> Street  
Tacoma, WA 98409-9050  
Telephone: (800) 923-8375  
Facsimile: (253) 475-6328  
Electronic mail: [Vilaire@comcast.net](mailto:Vilaire@comcast.net)

C. Correspondence and communications regarding this proceeding should be directed to:

Beth Keating  
Akerman Senterfitt  
106 East College Avenue, Suite 1200  
Tallahassee, Florida 32301  
Telephone: (850) 224-9634  
Electronic mail: [beth.keating@akerman.com](mailto:beth.keating@akerman.com)

And to:

Stanley Johnson, President  
VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, WA 98409-9050  
Telephone: (253) 973-2476  
Facsimile: (253) 475-6328  
Electronic mail: [stanj@vcicompany.com](mailto:stanj@vcicompany.com)

And to:

Stacey Klinzman  
Regulatory Attorney  
VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, WA 98409-9050  
Telephone: (253) 830-0056  
Facsimile: (253) 475-6328  
Electronic mail: [staceyk@vcicompany.com](mailto:staceyk@vcicompany.com)

D. Explanation of how the Petitioner's substantial interests will be affected by the agency determination:

1. VCI provides local exchange service to Lifeline and Link-Up eligible customers in AT&T's service area in Florida.

2. By Proposed Agency Action Order No. PSC-08-0090-PAA-TX, the Florida Public Service Commission proposes to rescind VCI's Eligible Telecommunications Carrier status in Florida, cancel VCI's CLEC Certificate No. 8611, and transfer all of VCI's Lifeline customers to AT&T.

3. The proposed penalties of seizing VCI's current customer base, rescinding VCI's ETC designation, and canceling VCI's CLEC certificate will prevent Vilaire from doing business as a competitive local exchange carrier in Florida, thereby causing irreparable harm to VCI's business, finances and reputation.

E. A statement of when and how the Petitioner received notice of the agency decision:

VCI's representatives attended the Commission agenda meeting of February 12, 2008, at which meeting the Commission approve Staff's recommended proposed agency action. Vilaire received Order No. PSC-08-0090-PAA-TX via electronic mail from its counsel, Akerman Senterfit, on February 13, 2008, and from Commission staff, Lee Eng Tan, via electronic mail, on February 15, 2008. Vilaire received a hard copy of the order via U.S. mail on or about February 20, 2008.

F. A statement of disputed issues of material fact:

Without waiving or relinquishing the right to allege additional disputed issues of fact at a later date, VCI states that the following are disputed issues of fact, which VCI

specifically protests:

- (i) whether VCI's January 16, 2008, E-911 worksheet is a complete report of customer overpayments of E-911 surcharges;
- (ii) whether VCI offered the nine supported services making up Universal Service to Florida customers using a combination of its own facilities and resale of another carrier's services between June 2006 and November 2006;
- (iii) whether VCI properly reported Lifeline subscribed lines on Forms 497 between June 1, 2006 and June 30, 2007;
- (iv) whether VCI was reimbursed correctly by the USAC for Lifeline customers from June 2006 through June 30, 2007;
- (v) whether VCI properly reported Link-Up subscribed lines on Forms 497 during the period June 1, 2006 through June 30, 2007;
- (vi) whether VCI was reimbursed correctly by the USAC for Link-Up services during the period June 1, 2006 – June 30, 2007;
- (vii) whether VCI offers Florida customers TLS using its own facilities;
- (viii) whether VCI is entitled to obtain reimbursement from the USAC for incremental costs of TLS offered via its own facilities;
- (ix) whether VCI was reimbursed correctly by USAC for incremental costs for TLS;
- (x) whether VCI correctly charged 130 Florida customers who made late payments a late payment charge;
- (xi) whether lines reported on Forms 497 represent actual Florida customers who were invoiced by VCI for Lifeline and Link-Up service;



- (xii) whether VCI maintains technical, managerial and financial ability to provide competitive local exchange service in Florida;
- (xiii) whether VCI's designation as an ETC remains in the public interest, convenience and necessity; and
- (xiv) whether any factual basis has been established upon which the Commission could cancel VCI's Competitive Local Exchange Carrier Certificate.

G. A statement of issues of fact not in dispute:

- (i) VCI does not dispute that the fee it charged for E911 exceeded, in certain instances, the \$.50 limitation set by Section 365.172 (8), F.S., and VCI remains willing to provide an appropriate refund, as it has throughout this proceeding to date.

H. A statement of disputed issues of law:

Without waiving or relinquishing the right to allege additional disputed issues of law at a later date, VCI's allegations of disputed issues of law include the following:

- (ii) whether the Commission has jurisdiction to interpret federal regulations and laws regarding an ETC's offering, provision and administration of Federal Universal Service;
- (iii) whether federal law confers upon the Commission subject matter jurisdiction over an ETC's offering, provision and administration of Federal Universal Service;
- (iv) whether federal law confers upon the Commission subject matter jurisdiction to rescind an ETC designation; and
- (iv) whether VCI violated Florida statutes, rules, or regulations.

I. A concise statement of the ultimate facts alleged, including the specific facts the Petitioner contends warrant reversal or modification of the agency's proposed action:

Without waiving or relinquishing the right to allege additional ultimate facts at a later date, VCI's allegations of ultimate facts include the following:

- (i) matters within the scope of this proceeding will determine the extent of the Commission's jurisdiction over an ETC's offering, provision and administration of Federal Universal Service in Florida;
- (iii) that VCI's January 16, 2008, E-911 worksheet is a complete report of customer overpayments of E-911 surcharges;
- (iv) that VCI offered the nine supported services making up Universal Service to Florida customers using a combination of its own facilities and resale of another carrier's services between June 2006 and November 2006;
- (v) that VCI properly reported Lifeline subscriber lines on Forms 497 between June 1, 2006 and June 30, 2007;
- (vi) that VCI was reimbursed correctly by the USAC for Lifeline customers from June 1, 2006 through June 30, 2007;
- (vii) that VCI properly reported Link-Up subscribed lines on Forms 497 during the period June 1, 2006 through June 30, 2007;
- (viii) that VCI was reimbursed correctly by the USAC for Link-Up services during the period June 1, 2006 – June 30, 2007;
- (ix) that VCI offers Florida customers TLS using its own facilities;
- (x) that VCI is entitled to obtain reimbursement from the USAC for incremental costs of TLS offered via its own facilities;
- (xi) that VCI was reimbursed correctly by USAC for incremental costs for

TLS;

- (xii) that VCI correctly charged Commission specified Florida customers who made untimely payments a late payment charge;
- (xiii) that lines reported on Forms 497 represent actual Florida customers who were invoiced by VCI for Lifeline and Link-Up service;
- (xiv) that VCI maintains technical, managerial and financial ability to provide competitive local exchange service in Florida;
- (xv) that VCI's designation as an ETC remains in the public interest, convenience and necessity;
- (xvi) that there is no basis upon which the Commission could cancel VCI's Competitive Local Exchange Carrier Certificate;
- (xvii) that the Commission has no jurisdiction to rescind VCI's ETC designation;
- (xviii) that the Commission may not transfer VCI's Lifeline customers to AT&T.

J. A statement of the specific rules or statutes the Petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes:

- (i) the Commission has no basis for revoking VCI's CLEC Certificate under Sections 364.335 or 364.337, Florida Statutes;
- (ii) the Commission has no basis for revoking VCI's CLEC Certificate under Rule 25-24.820(1)(a)-(c), Florida Administrative Code;
- (iii) the Commission is without basis to revoke VCI's CLEC Certificate for overcharging customers the E911 fee because the Commission has no jurisdiction to administrate, monitor or enforce the E911 fee, which jurisdiction is allocated to

the Technology Program of the Department of Management under Section 365.172(4), Florida Statutes;

- (iv) the Commission has failed to demonstrate jurisdiction under Florida state or federal law to revoke VCI's ETC designation;
- (v) the Commission has failed to demonstrate that VCI has violated any provision of Section 364.10, Florida Statutes, the sole Florida statute governing Lifeline service provision by Eligible Telecommunications Carriers;
- (vi) the Commission has failed to demonstrate that VCI has violated any provisions of applicable Federal Communications Commission rules or federal law regarding Lifeline and Link-Up service provision by Eligible Telecommunications Carriers;
- (vii) VCI is permitted under 47 C.F.R. Section 54.403(c) to seek reimbursement of its incremental costs of providing toll blocking service;
- (viii) Seizure of VCI's customers constitutes a prohibited "taking" without due process in violation of state and federal law, as well as the abrogation of contractual arrangements.

K. A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action:

(i) Rescind Order No. PSC-08-0090-PAA-TX and close this Docket;

or, in the alternative,


(ii) Set this matter for a Section 120.57(1), Florida Statutes, hearing to resolve the disputed issues of fact and law identified herein<sup>1</sup>, and to allow VCI a full opportunity to present evidence and arguments as to why Order No. PSC-08-

<sup>1</sup> In accordance with Cherry Communications, Inc. v. Deason, 652 So. 2d 803 (Fla. 1995), the prosecutorial and advisory staff must be bifurcated for the duration of the proceeding.

PAA-TX should be rescinded.

Respectfully submitted this 5<sup>th</sup> day of March, 2008.

Respectfully submitted this 5th day of  
March, 2008,


By:   
Beth Keating, Esquire  
Akerman Senterfitt  
106 East College Avenue, Suite 1200  
P.O. Box 1877 (32302)  
Tallahassee, Florida 32301  
(850) 521-8002  
[beth.keating@akerman.com](mailto:beth.keating@akerman.com)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via US Mail and Electronic Mail\* to the persons listed below this 5th day of March, 2008:

<p>Lee Eng Tan, Senior Attorney*          Florida Public Service Commission,          Office of the General Counsel          2540 Shumard Oak Blvd.          Tallahassee, FL 32399-0850          LTan@psc.state.fl.us</p>	
<p>Adam Teitzman, Supervising Attorney*          Florida Public Service Commission,          Office of the General Counsel          2540 Shumard Oak Blvd.          Tallahassee, FL 32399-0850          ateitzma@psc.state.fl.us</p>	<p>Beth Salak, Director/Competitive Markets and          Enforcement*          2540 Shumard Oak Blvd.          Tallahassee, FL 32399-0850          bsalak@psc.state.fl.us</p>

By:



Beth Keating  
**Akerman Senterfitt**  
 106 East College Avenue, Suite 1200  
 P.O. Box 1877 (32302)  
 Tallahassee, Florida 32301  
 (850) 521-8002  
 Fax: (850) 222-0103  
 beth.keating@akerman.com

# EXHIBIT RJC-11

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Vilaire Communications, Inc.'s eligible telecommunications carrier status and competitive local exchange company certificate status in the State of Florida.	DOCKET NO. 080065-TX ORDER NO. PSC-08-0194-PCO-TX ISSUED: March 26, 2008
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**ORDER ESTABLISHING PROCEDURE**

**I. Case Background**

By Order No. PSC-08-0090-PAA-TX, issued February 13, 2008, this Commission proposed to rescind Vilaire Communications, Inc.'s (Vilaire or company) eligible telecommunications carrier status and to cancel its certificate. On March 5, 2008, Vilaire timely filed a protest of the Order and a petition for formal hearing. Therefore, this matter has been set for a formal hearing on June 4, 2008.

This Order is issued pursuant to the authority granted by Rule 28-106.211, Florida Administrative Code (F.A.C.), which provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case.

**II. General Filing Procedures**

In accordance with Rule 25-22.028, F.A.C., parties filing documents in this proceeding shall submit the original document and the appropriate number of copies to the Office of Commission Clerk for filing in the Commission's docket file. Filings may be made by mail, hand delivery, courier service, or in some instances electronically. Please refer to the rule for the requirements of filing on diskette for certain utilities. To the extent possible, all filings made electronically or on diskette shall be provided in Microsoft Word format. Filings pertaining to this docket should identify the assigned docket number and should be addressed to:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**III. Tentative List of Issues**

A list of the issues identified thus far in this proceeding is attached hereto as Attachment A. The scope of this proceeding will be based upon these issues as well as other issues raised by the parties up to and during the Prehearing Conference, unless modified by the Commission.



**IV. Prefiled Testimony and Exhibits**

Each party shall file, in writing, all testimony and exhibits that it intends to sponsor, pursuant to the schedule set forth in Section IX of this Order. An original and 15 copies of all testimony and exhibits shall be filed with the Office of Commission Clerk, by 5:00 p.m. on the date due. A copy of all prefiled testimony and exhibits shall be served by regular mail, overnight mail, or hand delivery to all other parties and staff no later than the date filed with the Commission. Failure of a party to timely prefile exhibits and testimony from any witness in accordance with the foregoing requirements may bar admission of such exhibits and testimony.

Testimony shall be typed on 8 ½ inch x 11 inch transcript-quality paper, double-spaced, with 25 numbered lines, on consecutively numbered pages, with left margins sufficient to allow for binding (1.25 inches).

1. Each exhibit sponsored by a witness in support of his or her prefiled testimony shall be:
  - (1) Attached to that witness' testimony when filed;
  - (2) Sequentially numbered beginning with 1 (any exhibits attached to subsequently filed testimony of the same witness shall continue the sequential numbering system);
  - (3) Identified in the upper right-hand corner of each page by the docket number, a brief title, and the witness' initials followed by the exhibit's number; and
  - (4) Paginated by showing in the upper right-hand corner of each page the page number followed by the total number of pages in the exhibit.
  
2. An example of the information to appear in the upper right-hand corner of the exhibit is as follows:

Docket No. 012345-EI  
Foreign Coal Shipments to Port of Tampa  
Exhibit BLW-1, Page 1 of 2

After an opportunity for opposing parties to object to introduction of the exhibits and to cross-examine the witness sponsoring them, exhibits may be offered into evidence at the hearing.

**V. Discovery Procedures**

**A. General Requirements**

Discovery shall be conducted in accordance with the provisions of Chapter 120, Florida Statutes. (F.S.), and the relevant provisions of Chapter 364, F.S., Rules 25-22, 25-40, and 28-106, F.A.C., and the Florida Rules of Civil Procedure (as applicable), as modified herein or as may be subsequently modified by the Prehearing Officer.

Unless subsequently modified by the Prehearing Officer, the following shall apply:

- (1) Discovery shall be completed by May 22, 2008.
- (2) Discovery requests shall be served by e-mail, hand delivery, or overnight mail. If a request is served electronically, a hard copy of the request shall be served by hand-delivery, U.S. Mail, or overnight mail on the day that the request is served electronically.
- (3) Sets of interrogatories, requests for admissions, requests for production of documents, or other forms of discovery shall be numbered sequentially in order to facilitate their identification.
- (4) Within each set, discovery requests shall be numbered sequentially, and any discovery requests in subsequent sets shall continue the sequential numbering system.
- (5) Discovery responses shall be served within 15 calendar days (inclusive of mailing) of receipt of the discovery request. If responses are served electronically, a hard copy of the responses shall be served by hand-delivery, U.S. Mail, or overnight mail on the day that responses are served electronically.
- (6) Each page of every document produced pursuant to requests for production of documents shall be identified individually through the use of a Bates Stamp or other equivalent method of sequential identification. Parties should number their produced documents in an unbroken sequence through the final hearing.
- (7) Copies of discovery requests and responses shall be served on parties other than the party from whom discovery is sought to the extent required by the applicable provisions of the Florida Rules of Civil Procedure. In addition, copies of all responses to requests for production of documents shall be provided to the Commission staff at its Tallahassee office unless otherwise agreed.

Unless subsequently modified by the Prehearing Officer, the following shall apply:

- (1) Interrogatories, including all subparts, shall be limited to 100.
- (2) Requests for production of documents, including all subparts, shall be limited to 100.
- (3) Requests for admissions, including all subparts, shall be limited to 100.

When a discovery request is served and the respondent intends to seek clarification of any portion of the discovery request, the respondent shall request such clarification within seven days of service of the discovery request. Further, any specific objections to a discovery request shall be made within seven days of service of the discovery request. These procedures are intended to reduce delay in resolving discovery disputes.

**B. Confidential Information Provided Pursuant to Discovery**

Any information provided to the Commission staff pursuant to a discovery request by the staff or any other person and for which proprietary confidential business information status is requested pursuant to Section 364.183, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 364.183(4), F.S.. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

When a person provides information that it maintains as proprietary confidential business information to the Office of Public Counsel pursuant to a discovery request by the Office of Public Counsel or any other party, that party may request a temporary protective order pursuant to Rule 25-22.006(6)(c), F.A.C., exempting the information from Section 119.07(1), F.S.

When a party other than the Commission staff or Office of Public Counsel requests information through discovery that the respondent maintains as proprietary confidential business information, or when such a party would otherwise be entitled to copies of such information requested by other parties through discovery (e.g., interrogatory responses), that party and respondent shall endeavor in good faith to reach agreement that will allow for the exchange of such information on reasonable terms, as set forth in Rule 25-22.006(7)(b), F.A.C.

**VI. Prehearing Procedures**

**A. Prehearing Statements**

All parties in this docket and the Commission staff shall file a prehearing statement pursuant to the schedule set forth in Section IX of this Order. The original and seven copies of each prehearing statement shall be filed with the Office of Commission Clerk by 5:00 p.m. on the date due. A copy of the prehearing statement shall be served on all other parties and staff no later than the date it is filed with the Commission.

Each party's prehearing statement shall set forth the following information in the sequence listed below:

- (1) The name of all known witnesses whose testimony has been prefiled or who may be called by the party, along with subject matter of each such witness' testimony;

- (2) A description of all prefiled exhibits and other exhibits that may be used by the party in presenting its direct case (including individual components of a composite exhibit) and the witness sponsoring each;
- (3) A statement of the party's basic position in the proceeding;
- (4) A statement of each question of fact, question of law, and policy question that the party considers at issue, along with the party's position on each issue, and, where applicable, the names of the party's witness(es) who will address each issue. Parties who wish to maintain "no position at this time" on any particular issue or issues should refer to the requirements of subsection C, below;
- (5) A statement of issues to which the parties have stipulated;
- (6) A statement of all pending motions or other matters the party seeks action upon;
- (7) A statement identifying the party's pending requests or claims for confidentiality;
- (8) Any objections to a witness' qualifications as an expert. Failure to identify such objection will result in restriction of a party's ability to conduct voir dire absent a showing of good cause at the time the witness is offered for cross-examination at hearing;
- (9) A statement as to any requirement set forth in this order that cannot be complied with, and the reasons therefor.

Failure of a party to timely file a prehearing statement shall be a waiver of any issue not raised by other parties or by the Commission. In addition, such failure shall preclude the party from presenting testimony in support of its position on each such issue.

**B. Attendance at Prehearing Conference**

Pursuant to Rule 28-106.209, F.A.C., a prehearing conference will be held on May 28, 2008, at the Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida. Unless excused by the Prehearing Officer for good cause shown, each party (or designated representative) shall personally appear at the prehearing conference. Failure of a party (or that party's representative) to appear shall constitute waiver of that party's issues and positions, and that party may be dismissed from the proceeding.

**C. Waiver of Issues**

Any issue not raised by a party either before or during the Prehearing Conference shall be waived by that party, except for good cause shown. A party seeking to raise a new issue after the Prehearing Conference shall demonstrate each of the following:

- (1) The party was unable to identify the issue because of the complexity of the matter.
- (2) Discovery or other prehearing procedures were not adequate to fully develop the issue.

- (3) Due diligence was exercised to obtain facts touching on the issue.
- (4) Information obtained subsequent to the Prehearing Conference was not previously available to enable the party to identify the issue.
- (5) Introduction of the issue would not be to the prejudice or surprise of any party.

Specific reference shall be made to the information received and how it enabled the party to identify the issue.

Unless a matter is not at issue for that party, each party shall take a position on each issue by the time of the Prehearing Conference or by such later time as may be permitted by the Prehearing Officer. If a party is unable through diligence and good faith efforts to take a position on a matter at issue for that party, it shall explicitly state in its Prehearing Statement why it cannot take a position. If the Prehearing Officer finds that the party has acted diligently and in good faith to take a position, and further finds that the party's failure to take a position will not prejudice other parties or confuse the proceeding, the party may maintain "no position at this time" prior to hearing and thereafter identify its position in a post-hearing statement of issues. In the absence of such a finding by the Prehearing Officer, the party shall have waived the entire issue, and the party's position shall be shown as "no position" in the Prehearing Order. When an issue and position have been properly identified, any party may adopt that issue and position in its post-hearing statement.

D. Motions to Strike Prefiled Testimony and Exhibits

Motions to strike any portion of the prefiled testimony and related portions of exhibits of any witness shall be made in writing no later than the Prehearing Conference. Motions to strike any portion of prefiled testimony and related portions of exhibits at hearing shall be considered untimely, absent good cause shown.

E. Demonstrative Exhibits

If a party wishes to use a demonstrative exhibit or other demonstrative tools at hearing, such materials must be identified by the time of the Prehearing Conference.

F. Official Recognition

Parties seeking official recognition of materials pursuant to Section 120.569(2)(i), F.S., shall notify all other parties and staff in writing no later than two business days prior to the first scheduled hearing date. Such notification shall identify all materials for which the party seeks official recognition, and to the extent such materials may not be readily available to all parties, such materials shall be provided along with the notification.

**VII. Hearing Procedures**

**A. Attendance at Hearing**

Unless excused by the Presiding Officer for good cause shown, each party (or designated representative) shall personally appear at the hearing. Failure of a party, or that party's representative, to appear shall constitute waiver of that party's issues, and that party may be dismissed from the proceeding.

Likewise, all witnesses are expected to be present at the hearing unless excused by the Presiding Officer upon the staff attorney's confirmation prior to the hearing date of the following:

- (1) All parties agree that the witness will not be needed for cross examination.
- (2) All Commissioners assigned to the panel do not have questions for the witness.

In the event a witness is excused in this manner, his or her testimony may be entered into the record as though read following the Commission's approval of the proposed stipulation of that witness' testimony.

**B. Use of Confidential Information at Hearing**

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such information is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidentiality filed

with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

### **VIII. Post-Hearing Procedures**

If the Commission (or assigned panel) does not render a bench decision at the hearing, it may allow each party to file a post-hearing statement of issues and positions pursuant to the schedule set forth in Section IX of this Order. In such event, a summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position. However, the position must be reduced to no more than 50 words. If a post-hearing statement is required and a party fails to file in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time, unless modified by the Presiding Officer.

### **IX. Controlling Dates**

The following dates have been established to govern the key activities of this case:

- |   |                |
|---|----------------|
| (1) Staff direct testimony and exhibits           | April 10, 2008 |
| (2) Company/Intervenor testimony and exhibits     | April 24, 2008 |
| (3) Staff rebuttal testimony and exhibits, if any | May 8, 2008    |
| (4) Prehearing Statements                         | May 14, 2008   |
| (5) Discovery deadline                            | May 22, 2008   |
| (6) Prehearing Conference                         | May 28, 2008   |
| (7) Hearing                                       | June 4, 2008   |
| (8) Briefs  | July 2, 2008   |

In addition, all parties should be on notice that the Prehearing Officer may exercise the discretion to schedule additional prehearing conferences or meetings of the parties as deemed appropriate. Such meetings will be properly noticed to afford the parties an opportunity to attend.

Based upon the foregoing, it is

ORDERED by Commissioner Nathan A. Skop, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission.

By ORDER of Commissioner Nathan A. Skop, as Prehearing Officer, this 26th day of March, 2008.

/s/ Nathan A. Skop

NATHAN A. SKOP

Commissioner and Prehearing Officer

This is an electronic transmission. A copy of the original signature is available from the Commission's website, [www.floridapsc.com](http://www.floridapsc.com), or by faxing a request to the Office of Commission Clerk at 1-850-413-7118.

( S E A L )  
RG

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.



ATTACHMENT A

**Tentative List of Issues**

1. Is the PSC authorized to audit an ETC's records for compliance with applicable Lifeline, Link-Up, and ETC statutes, rules, processes, procedures, and orders?
2. Did VCI provide Lifeline service to its Florida customers using a combination of its own facilities and resale of another carrier's services between June 2006 and November 2006?
3. Did VCI correctly report Link-Up and Lifeline lines on USAC's Form 497 for reimbursement while operating as an ETC in Florida in accordance with applicable requirements?
- 4.(a) Does VCI provide toll limitation service to Lifeline customers using its own facilities?
  - (b) If so, is VCI entitled to obtain reimbursement for incremental costs of TLS?
  - (c) If yes, what is the appropriate amount of reimbursement?
5. Were late payment charges correctly applied to VCI Florida customer bills?
6. What is the appropriate refund amount for E-911 customer overbilling?
7. Does the PSC have the authority to enforce an FCC statute, rule or order pertaining to ETC status, Lifeline, and Link-Up service?
- 8.(a) Has VCI violated any FCC statute, rule or order pertaining to ETC status, or Lifeline and Link-Up service?
  - (b) If so, what is the appropriate remedy or enforcement measure, if any?
- 9.(a) Has VCI violated any PSC rule or order applicable to VCI pertaining to ETC status or Lifeline and Link-Up service?
  - (b) If so, what is the appropriate remedy, if any?
- 10.(a) Does the Commission have authority to rescind VCI's ETC status in the state of Florida?
  - (b) If so, is it in the public interest, convenience, and necessity for VCI to maintain ETC status in the state of Florida?
- 11.(a) Has VCI willfully violated any lawful rule or order of the Commission, or provision of Chapter 364?
  - (b) If so, should VCI's competitive local exchange company certificate be revoked?

# EXHIBIT RJC-12

VCI Company  
3875 Steilacoom Boulevard S.W. #A  
Lakewood, Washington 98499  
(253) 830-0056  
Electronic Mail: [Staceyk@vcicompany.com](mailto:Staceyk@vcicompany.com)  
Facsimile: (253) 475-6328

---

*Via Electronic Mail*

March 16, 2006

James V. Maduro Jr.  
Regulatory Analyst II  
PSC Division of Competitive Markets and Enforcement  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: Vilaire Communications, Inc. - Docket No. 060144-TX  
Responses to Staff's Data Requests

Dear Mr. Maduro:

Attached are responses to Staff's data requests issued March 10, 2006. Please don't hesitate to contact me if you need anything else.

Sincerely,

VCI Company  
*Stacey A. Klinzman*  
Stacey A. Klinzman  
Regulatory Attorney

cc: Beth Keating, Akerman, Senterfitt (via electronic mail)

VILAIRE COMMUNICATIONS, INC.'S RESPONSES TO STAFF'S DATA REQUESTS  
ISSUED MARCH 10, 2006

1. Vilaire indicated in its petition that it has received ETC designation in 14 other states. Does Vilaire provide Lifeline service in all these states? If so, has the state utility commission for these states received any complaint(s) concerning Vilaire's Lifeline and Link-up service subsequent to your Florida petition filing? If so, please describe.

**Response:** Vilaire provides Lifeline and Link-Up services in the states of ~~Iowa, Minnesota, North Dakota, Oregon, South Dakota, Texas, Washington and Wyoming.~~ No complaint dockets have been opened at any state commission against Vilaire subsequent to the filing of the Florida petition.

2. Vilaire indicated in its petition that it intends to refile ETC applications in three (3) states, namely Michigan, Montana and Nevada. Please update us on the status of these filings. If a tentative filing date has been selected, we would appreciate if you would provide us with this information.

**Response:** Vilaire's Michigan ETC application was refiled on March 7, 2006, Docket No. U-14807. Vilaire does not have tentative filing dates for the Montana or Nevada ETC applications. Vilaire filed an ETC application before the Georgia Public Service Commission on March 9, 2006, Docket No. 21967. Vilaire intends to file ETC applications before the Kentucky and Kansas commissions within the next month.

3. Is Vilaire aware that pursuant to Order No. PSC-98-0328-FOF-TP, all ETCs in Florida must contribute \$3.50 per month per Lifeline customer? If granted ETC status, will Vilaire comply with this order by providing the appropriate contribution(s)?

**Response:** Yes. Vilaire expects to offer the following discounts off of its basic local service, as well as a waiver of the Subscriber Line Charge:

Tier I - waiver of the federal Subscriber Line Charge (SLC), \$6.50.

Tier II -	\$1.75
Tier III -	\$1.75
<u>Florida Support</u>	<u>\$3.50</u>
	\$7.00

Total support = \$13.50.

4. In your petition, Vilaire indicated that it is in the process of consummating a commercial agreement with BellSouth. Has Vilaire completed negotiations with BellSouth? If so, what types of services does this agreement cover (Resale, UNEs, etc.)?

**Response:** Vilaire has entered into a commercial agreement with BellSouth for a product combining the local loop, a UNE, with other non-regulated services, such as switching and ports.

5. How many UNE customers and how many resale customers does Vilaire have in BellSouth's territory?

**Response:** Vilaire is not yet providing service in BellSouth's territory. Vilaire is not advertising or offering service in Florida or any other BellSouth state.

6. In your petition you communicated that presently you do not own, operate or manage a network in Florida. Does Vilaire plan on obtaining its own facilities in the future? If so, what is your projected time table for doing so?

**Response:** Vilaire has no plan to obtain or construct its own facilities at the present time. Should the Company's business plan indicate that obtaining or constructing facilities is economically feasible at some point in the future, the Company would consider doing so.

7. FCC rules have accepted UNEs as meeting the requirement of "using its own facilities." After March 10, 2006, when UNEs will cease, how will Vilaire meet this requirement?

**Response:** The Company intends to provide service under the commercial agreement entered into with BellSouth, the components of which include the local loop, a UNE.

8. Does Vilaire provide any service to its customers via a prepaid service/plan? If so, what percentage of its customers receive their service via a prepaid service/plan?

**Response:** Vilaire does not provide service to its customers via a prepaid service/plan.

9. In your petition, you indicated that the average customer bill for a Vilaire residential customer will be approximately \$24 per month. Will this average customer bill be available to all your customers irrespective of their prior payment history and/or credit? In other words, is this average bill contingent on other factors? Please elaborate.

**Response:** Vilaire's petition indicates that it expects the average customer bill for a Lifeline customer in Florida to be \$24.00 per month for the first year of service and \$14.00 per month after the first year, plus taxes and surcharges. The Lifeline rate will be available to eligible customers irrespective of their prior payment history or credit. The average bill is not contingent on other factors.

10. As a condition of receiving local service, are Vilaire's residential customers required to subscribe to Vilaire's long-distance services?

**Response:** ~~Vilaire does not provide long distance services.~~ Vilaire's customers who do not elect toll blocking and who do not prefer to use prepaid long distance telephone cards (not provided by Vilaire) have access to the long-distance carrier of their choice. Vilaire actively educates its customers on the benefits of toll blocking and prepaid long distance cards as methods of reducing the customer's telephone bill.

11. What specific plans does Vilaire have for advertising its offering of Lifeline Service in Florida?

**Response:** Vilaire will advertise the availability of Lifeline and Link-Up services primarily via television advertisement. Brochures, in English and Spanish, will be available at government offices, such as social services and low-income housing offices. In the Company's experience, television advertisement is the most efficient and effective method of publicizing the availability of Lifeline and Link-Up services to the widest possible audience. Vilaire will work with Commission staff and the OPC on advertising the availability of Lifeline and Link-Up services.

12. If Vilaire receives an ETC designation in Florida, approximately how long will it take for Vilaire to offer Lifeline service in the area in which it receives the ETC designation? Please elaborate on any extended or special circumstances.

**Response:** The Company will begin service provision as soon as it has the correct infrastructure in place to efficiently offer service, including the correct number of customer service representatives trained to process an additional volume of customer calls and trained on interfacing with BellSouth's OSS system. The Company expects that this process will take approximately six (6) months from the date the Commission grants the Company ETC designation, but may take longer.

13. Describe Vilaire's local usage plans pursuant to 47 C.F.R. 54.101(a)(2).

**Response:** Vilaire offers unlimited local calling within the customer's local calling area at a flat monthly rate. BellSouth also offers basic local exchange service entitling subscribers to an unlimited number of messages for a flat monthly rate. (See BellSouth General Subscriber Services Tariff, Section A3.4 Flat Rate Service.)

14. Describe the access Vilaire plans to provide to emergency services, such as 911 and enhanced 911 as defined as by 47 C.F.R. 54.101(a)(5).

**Response:** Vilaire's customers are provided access to 9-1-1 and enhanced 9-1-1 services, by dialing 9-1-1 or "0", through its interconnection agreement with BellSouth.

15. Do Vilaire's customers have access to competitive directory assistance providers, as defined as by 47 C.F.R. 54.101(a)(8)? If not, will Vilaire offer this service in the near future? Please elaborate.

**Response:** Vilaire's customers have access to directory assistance service provided by the underlying carrier by dialing "4-1-1" or "1-555-1212."

16. Describe the toll-limitation features of Vilaire's service. See 47 C.F.R. 54.101(a)(9).

**Response:** Vilaire's toll limitation service features will be the same as those offered by BellSouth and available through Vilaire's interconnection agreement with BellSouth.

17. According to 47 C.F.R. 54.101(c): A state commission may grant the petition of a telecommunications carrier that is otherwise eligible to receive universal service support under Section 54.201, if the party is requesting additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation. If such petition is granted, the otherwise eligible telecommunications carrier will be permitted to receive universal service support for the duration of the period designated by the state commission.

If you will be making such a request, what time frame will be necessary for Vilaire to accomplish these network upgrades? Please include in your response all areas for which you are seeking ETC designation.

**Response:** BellSouth owns, operates and maintains the network over which Vilaire's customers' calls will be transported, which network supports single-party service, access to enhanced 911 service, and toll limitation. Thus, Vilaire will not be making such a request.

18. Does Vilaire understand that there may be an audit of the use of universal service funds and that the eligible telecommunications service designation is reviewed annually by the Florida Public Service Commission?

**Response:** Vilaire understands that it may be audited for use of universal service funds and that ETC designation is reviewed annually by the Florida Public Service Commission. The Commission is requested to bear in mind that Vilaire requests reimbursement only from the low-income division of the USAC. The Commission is further requested to bear in mind that, as indicated in the Company's Petition, the FCC has determined that a Lifeline provider uses universal service funds for the purpose the funds are intended when the provider passes through all of required discounts to its end-user customers, and that Vilaire passes through the required discounts.

19. Is Vilaire's account current with the Federal Communications Commission in regards to regulatory fees? If not, please explain what steps, if any, are being taken to resolve/rectify this situation.

**Response:** The Company is current with the FCC in regards to regulatory fees.

20. As stated in your petition, Vilaire is aware that Florida Lifeline customers who no longer qualify for Lifeline are allowed to receive a discounted rate at 70% of the residential basic rate for a period of one year? Does Vilaire agree to abide by this mandate?

**Response:** Vilaire will comply with all applicable Commission rules and regulations as well as all applicable Florida laws.

21. Does Vilaire provide service in Florida strictly through agents or does it have corporate locations too? How many locations are providing service through agents? How many locations in Florida provide service through corporate locations?

**Response:** Vilaire will market its services in Florida primarily through television advertisements (as indicated above), which advise the customer to contact the Company directly to inquire about service. [REDACTED]

[REDACTED]  
Vilaire will maintain its contact information with the Commission and pledges to be responsive to any Commission concerns.

22. According to your petition, Vilaire provides Lifeline advertising in the states where it was granted ETC status. Is it the agent's responsibility to provide the Lifeline advertising or is it the corporate offices'? If it is the agent's responsibility, what verbiage is included in the contract between the agent and Vilaire to provide this advertising?

**Response:** See responses to Questions 11 and 21 above. Staff responsible for Vilaire's telecommunications operations, including advertising, in all states are situated at Vilaire's head office, 3875 Steilacoom Blvd. S.W. #A, Lakewood, Washington.

23. When reimbursement is received from USAC for Lifeline customers, does Vilaire retain the money, or is it passed through to the agents (if applicable)?

**Response:** Vilaire does not employ agents. Vilaire utilizes the USAC reimbursement for provisioning of service from the LEC in all states where it is currently authorized to provide service and to expand its low-income services to other states. As indicated in Vilaire's Petition, Vilaire also contributes to the maintenance and upgrading of the LEC's telecommunications facilities through payment of LEC service charges, which charges include those types of cost.

24. Vilaire is petitioning for ETC status in approximately 1,535 BellSouth rate centers. Please describe how Vilaire will advertise the availability of Lifeline services in each of the rate centers it is seeking ETC status in.

**Response:** See responses to Questions 11 and 21.

25. Vilaire indicated that it is not presently seeking high cost funding in Florida. Does Vilaire have any future plans to request high cost funding? If yes, what is the time table for seeking such funding? Please elaborate.

**Response:** Vilaire has no plans to request high cost funding.



26. Vilaire stated that it will not require a security deposit for Lifeline customers? Will Vilaire require a security deposit from any of its Florida based customers?

**Response:** Vilaire does not intend to require a security deposit from any Florida based customer.

27. Additional Changes from Information in ETC Petition

Since the filing of Vilaire's ETC Petition, Vilaire has voluntarily withdrawn its CLEC certificate in North Carolina for business reasons. Vilaire's CLEC authority in Kansas was approved on March 14, 2006.

**Production of Documents**

1. Provide copies of any Commercial Agreements with other carriers in the State of Florida, or provide an affidavit from the carrier attesting to the fact that a Commercial Agreement with Vilaire is in effect.

**Response:** Vilaire is in communication with BellSouth regarding this request and will respond to Staff once Vilaire has an answer from BellSouth.

**EXHIBIT RJC-13**  
**REDACTED**

AT&T Florida  
FPSC Undocketed Item Involving  
Vilairie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 1  
Page 1 of 1

REQUEST: For any service that AT&T-Florida sells to Vilairie Communications Inc. (VCI) for the provision of residential access service, be it unbundled network elements (UNE) or resale, please detail the charge that AT&T-Florida assesses VCI for toll limitation service (TLS). If a charge is assessed, and the information is readily available, provide a breakdown, by month, for the charge that was billed to VCI for TLS service, along with the number and type of service (UNE or resale). We would like this information for every month that VCI has been a customer of either BellSouth-Florida or AT&T-Florida.

RESPONSE: AT&T Florida bills Vilairie Communication Inc. ("VCI") for non-Lifeline customers, a recurring (monthly) charge for Toll Blocking of \$4.95 (Residence) and \$6.95 (Business) less the Resale Discount. AT&T Florida also bills a Non-Recurring charge of \$10.00 (less the Resale Discount) when the service is ordered. See AT&T Florida Tariff A-13.20.3.A1.

For VCI's Lifeline customers, AT&T Florida does not bill the Non-Recurring Charge of \$10.00 (less the Resale Discount) or the Recurring Charge when the Toll Blocking is ordered in conjunction with another USOC (the USOC is TBOWD).

See attached for charges assessed to VCI for TLS service, beginning approximately August 20, 2007 to December 12, 2007, which is all that is readily available, in the format requested. This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 2  
Page 1 of 1

REQUEST: Does AT&T-Florida receive any reimbursement from USAC through the Link-Up program for costs related to connecting Lifeline customers on resold lines? If so, how much?

RESPONSE: Yes. Federal Communications Commission ("FCC") rules allow AT&T Florida to recover the lesser of \$30 or 50% of the actual charge for installation. For Lifeline service, resold by VCI, AT&T Florida's connection charge is \$35.96. AT&T Florida would receive \$17.98 in reimbursement from USAC on resold lines.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 3  
Page 1 of 1

REQUEST: Does AT&T-Florida receive any reimbursement from USAC for costs related to TLS provided on resold lines? If so, how much?

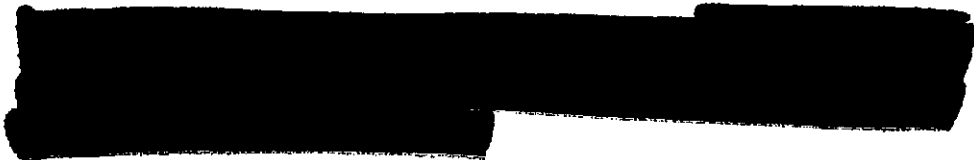
RESPONSE: Yes. Pursuant to FCC rules, AT&T Florida is reimbursed the incremental costs of providing TLS which is .07 cents per line.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 4  
Page 1 of 1  
**PROPRIETARY**

*und ktd*

**REQUEST:** Please detail the number of access lines that have been sold to VCI, for every month that VCI has been a customer of either BellSouth-Florida or AT&T-Florida. Please show separately the number of UNE lines and resold lines, by month.

**RESPONSE:** This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.



		Resale	Wholesale Agreement
	State	FL	FL
Group Account Name	Period	In Svc Qty	In Svc Qty
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]
VCI COMPANY	[REDACTED]	[REDACTED]	[REDACTED]

**CONFIDENTIAL**

DOCUMENT NUMBER-DATE

10953 DEC 14 08 *[Signature]*

FPSC-COMMISSION CLERK

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 5  
Page 1 of 1

REQUEST: In regards to the lines that AT&T-Florida resells to another carrier, please describe, with an example, how any Universal Service subsidies for these lines are handled. For example, are Lifeline subsidies claimed by the underlying carrier, in this case AT&T-Florida, and then passed onto the reseller in the form of a credit against monies owed, or paid directly to the reseller?

RESPONSE: The Lifeline subsidies are provided to the reselling carrier as a credit on the resellers bill each month against the normal residential rate. Effectively, the reseller is purchasing service that includes the Lifeline subsidy built into the cost of the service it receives from AT&T Florida each month, thus allowing the reseller to pass the Lifeline discount on to its Lifeline customers and remain whole.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 6  
Page 1 of 1

REQUEST: Please confirm that BellSouth-Florida was paid \$47,320 by VCI for communications service in 2006.

RESPONSE: AT&T Florida is providing in response to this request a spreadsheet that contains all payments and current charges on all Q Accounts, Resale and UNE, for VCI.

*This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.*



AT&T Florida  
FPSC Undocketed Item Involving  
Vilaric Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 7  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Did VCI have a commercial agreement with BellSouth in 2006? According to their regulatory assessment form for 2006, VCI indicated that its current company status was that of a reseller. Please confirm your understanding of VCI's status, as either a facility based provider (UNE, UNE-P, or their own equipment) or strictly a reseller for both 2006 and 2007.

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.



AT&T Florida's understanding of VCI's status is that VCI is strictly a reseller for both 2006 and 2007.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 8  
Page 1 of 1  
**PROPRIETARY**

REQUEST: What does AT&T-Florida charge to VCI as a connection fee for the typical residential customer? Is this fee the same for Lifeline customers?

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.

For WLP (Wholesale Local Platform), [REDACTED]  
[REDACTED] the connection nonrecurring charges for a DS0 2-wire VG service are provided below. These charges apply to VCI regardless of whether they are providing service to a Lifeline customer or not.

[REDACTED]

For Resold AT&T Florida telecommunication services, the Connection charge is \$35.96. The tariff rate is \$46.00 and the Resale discount is 21.83%.(applies to both recurring and non-recurring)

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 9  
Page 1 of 1

REQUEST: Please provide copies of the monthly BellSouth-Florida / AT&T-Florida invoices sent to VCI for each month BellSouth-Florida / AT&T-Florida provided service to VCI in Florida.

RESPONSE: At the present time, pursuant to an agreement with Commission Staff, AT&T Florida is only providing the VCI bill for November 2007. See also, AT&T Florida's response to Item No. 6 for a summary spreadsheet of the billing and payment history of VCI for each month AT&T Florida provided service to VCI in Florida for resale and UNE.

This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's 1<sup>st</sup> Data Request  
November 30, 2007  
Item No. 10  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Is VCI current regarding payments to BellSouth-Florida / AT&T-Florida?

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated December 4, 2007.

**[REDACTED]**

**CONFIDENTIAL EXHIBIT**  
**RJC-13**  
**Attachment to Item 1**

**CONFIDENTIAL EXHIBIT**  
**RJC-13**  
**Attachment to Item 6**

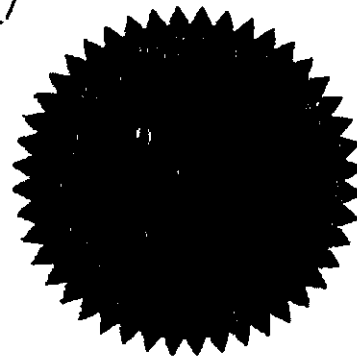
# EXHIBIT RJC-14

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080065-TX

In the Matter of:

INVESTIGATION OF VILAIRE COMMUNICATIONS,  
INC. (VCI) ELIGIBLE TELECOMMUNICATIONS  
CARRIER STATUS AND COMPETITIVE LOCAL  
EXCHANGE COMPANY CERTIFICATE STATUS IN  
THE STATE OF FLORIDA.



PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 4

BEFORE: CHAIRMAN MATTHEW M. CARTER, II  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER KATRINA J. McMURRIAN  
COMMISSIONER NANCY ARGENZIANO  
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, February 12, 2008

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732



1 PARTICIPATING:

2 HAROLD McLEAN, ESQUIRE, STACEY KLINZMAN, ESQUIRE,  
3 BETH KEATING, and STANLEY JOHNSON, representing Vilaire  
4 Communications, Inc.

5 LEE ENG TAN, ESQUIRE, BOB CASEY, and RICK MOSES,  
6 representing the Florida Public Service Commission Staff.

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## 1 P R O C E E D I N G S .

2 CHAIRMAN CARTER: So we are now prepared to hear from  
3 staff on Item 4.

4 MR. CASEY: Good morning, Commissioners. Bob Casey  
5 on behalf of staff.

6 Item Number 4 addresses staff's investigation into  
7 the eligible telecommunications carrier status of Vilaire  
8 Communications in the state of Florida. Staff's investigation  
9 determined that Vilaire is overcharging for E911 monthly fees  
10 to its customers and has received over \$1.3 million in improper  
11 compensation through the Federal Universal Service Low Income  
12 Program by making misrepresentations to the universal service  
13 administrative company.

14 Staff believes it is no longer in the public interest  
15 to allow Vilaire to remain an eligible telecommunications  
16 carrier in Florida or have the authority to provide competitive  
17 local exchange service in Florida. Therefore, staff is  
18 recommending that the Commission rescind Vilaire  
19 Communications' eligible telecommunications carrier status in  
20 Florida and cancel its competitive local exchange company  
21 Certificate 8611 as of the date of the consummating order.

22 In addition, staff is recommending Vilaire be ordered  
23 to provide staff with a worksheet showing all E911 overcharges  
24 since Vilaire received certification in Florida so that staff  
25 can oversee refunds to customers. Staff is also recommending

1 results of staff's investigation along with the Commission  
2 order be forwarded to the universal service administrative  
3 company, the Federal Communications Commission, and the U.S.  
4 Department of Justice for further follow-up to recover  
5 universal service funds obtained by Vilaire through  
6 misrepresentations made to the universal service administrative  
7 company.

8           Representatives for Vilaire are here this morning and  
9 are also participating by way of phone, and staff is prepared  
10 to address any questions the Commissioners may have.

11           CHAIRMAN CARTER: Okay. Let's hear from the parties.

12           Mr. McLean.

13           MR. McLEAN: Good morning, Mr. Chairman,  
14 Commissioners. A pleasure to appear before you today, as  
15 always. I'm Harold McLean from the law firm of Akerman  
16 Senterfitt here in Tallahassee on behalf of VCI, the company  
17 which is under your scrutiny today. With me is Beth Keating,  
18 also from Akerman Senterfitt. As you have noted, Mr. Chairman,  
19 Stanley Johnson is on the phone. He is the president of the  
20 company. And also with me is Stacey Klinzman here who will  
21 offer some argument to you this morning.

22           You will hear from two of us, essentially.  
23 Ms. Klinzman is going to address some of the technical aspects  
24 of the allegations, and I want to underscore allegations, and I  
25 will be addressing some of the, at least, three items that I

1 think should be of concern to you, and certainly are of concern  
2 to us about the staff recommendation itself. So with that, may  
3 I introduce to you Ms. Stacey Klinzman, who is counsel for VCI.  
4 Thank you.

5 CHAIRMAN CARTER: Okay. Ms. Klinzman, you're  
6 recognized.

7 MS. KLINZMAN: Thank you, Harold.

8 My name is Stacey Klinzman. I am the regulatory  
9 attorney for VCI Company, which is doing business in Florida as  
10 Vilaire Communications, Inc. Thank you for giving us the  
11 opportunity to come here and address some of staff's  
12 allegations in the recommended decision.

13 We mainly want you to understand how seriously we  
14 take these allegations, how important continuing to serve  
15 Florida is to us, and we also want you to understand that  
16 staff's recommendation was really the first definitive document  
17 that we had that laid out specific issues that staff had that  
18 we then could turn around and try to figure out a way to  
19 resolve.

20 I, unfortunately, cannot address all of staff's  
21 allegations today. Some of the staff's allegations is based on  
22 information that they got from AT&T that we have not had an  
23 opportunity to review. Some information was already submitted  
24 to staff under cover of confidentiality, and I can't go into  
25 detail about it. But right now what I would like to do is

1 emphasize the fact we really do want to work with staff on  
2 this. We really want the Commission to assist us in learning  
3 how to be an ETC according to Florida's rules. This company  
4 does operate according to the federal rules. And with that I  
5 would like to issue -- there are two issues today, one is the  
6 E911 overcharges and the other is staff's allegation that VCI  
7 is a pure resale carrier.

8           Turning to the first issue, which is E911, VCI or  
9 Vilaire has admitted that they did inadvertently overcharge 911  
10 customers. And we did send to staff, in January, the 911  
11 worksheet. Now, Florida Statutes only require a carrier to  
12 remit E911 charges that are actually paid to it. And the 911  
13 worksheet that we sent to staff is an accurate representation  
14 of those customers who actually were billed and paid us that  
15 911 surcharge. So there is no way to do a revised 911  
16 worksheet because the one that staff has is an accurate  
17 representation of those customers who paid us those charges.

18           The second issue that I would like to talk about is  
19 the fact that VCI is not a purely resale carrier. And there  
20 are a number of minor points that need to be -- that kind of  
21 need to add up to understand that situation. First of all,  
22 there are nine supported services that make up universal  
23 service: Voice grade access to the public switched network,  
24 local usage, dual tone multi-frequency, single party service,  
25 access to emergency services, access to operator services,

1 access to interexchange service, access to directory  
2 assistance, and toll limitation for qualifying low income  
3 customers.

4           Now, among other things, in order to receive  
5 universal service support, a carrier must offer the nine  
6 supported services either through its own facilities, or by a  
7 combination of its own facilities and resale of another  
8 carrier's services. Now, the FCC has defined a facility as --  
9 and I am going to read you this because they say it so much  
10 better than me, "Any physical components of a  
11 telecommunications network that are used in the transmission or  
12 routing of the services designated for support," and those are  
13 the nine services.

14           A UNE is one type of facility, but it is not the only  
15 facility that meets this particular definition. Furthermore,  
16 the FCC has never determined what level of facilities is  
17 necessary for a carrier to be a combination resale and  
18 facilities-based offerer of the nine supported services. It  
19 does not require a specific level of -- the FCC does not  
20 require a specific level of facilities. They don't need to use  
21 their own facilities to offer each of the supported services,  
22 but it may provide one of the supported services by its own  
23 facilities. And there is a particular example that the FCC  
24 gives in Report and Order at 12 FCC record. We conclude that a  
25 carrier could satisfy the facilities requirement by using its

1 own facilities to provide access to operator services while  
2 providing the remaining services designated for support through  
3 resale. And VCI does just that.

4 VCI, and staff has this information in great detail  
5 and I'm not going to go into a lot of detail about the type of  
6 facilities we have, but we have developed a way of offering  
7 access to 411 service by our own facilities. That is one of  
8 the nine supported services, and we supplement that offering a  
9 form of access to 411 with the resale of the other eight  
10 services. Thus, we operate within the FCC's rules and orders.  
11 And we are offering the nine supported services via our own  
12 facilities and resale of another carrier's services as the FCC  
13 permits us to do.

14 Those are the only two issues that I wanted to  
15 address right now, and I'm certainly open to questions that you  
16 may have. Both myself and Mr. Johnson are happy to attempt to  
17 answer them.

18 CHAIRMAN CARTER: Commissioners, before I get to  
19 questions, I wanted to kind of give Mr. Johnson a couple of  
20 moments. He's on the phone, and we would like to have him  
21 weigh in.

22 Mr. Johnson, if you are there, we would like to give  
23 you a couple of minutes to kind of make a couple of statements  
24 here before I recognize the Commissioners.

25 MR. JOHNSON: Hello, Commissioners. I follow exactly

1 what Stacey said. We've been doing universal service or  
2 participating in a low income program for four and a half, five  
3 years here. Most of the things that I saw staff ask about only  
4 for the first time in the order. A lot of these things I  
5 believe that we could work together and try to follow what  
6 rules staff believes Florida has that we violated. That's  
7 pretty much all I have to say there.

8 CHAIRMAN CARTER: Okay.

9 MR. MCLEAN: Mr. Chairman, Harold McLean here.

10 CHAIRMAN CARTER: Mr. McLean.

11 MR. MCLEAN: I have a couple of things to add  
12 whenever you think the time is appropriate.

13 CHAIRMAN CARTER: Okay. I will come back to you.

14 MR. MCLEAN: Yes, sir. Thank you.

15 CHAIRMAN CARTER: Commissioner Argenziano, you're  
16 recognized.

17 COMMISSIONER ARGENZIANO: Thank you, Mr. Chairman.

18 I guess my question is a simple one, and it goes back  
19 to what I found that the FCC, I guess, has found in other  
20 states, Minnesota, Oregon, and Washington, in that there was a  
21 failure to keep proper records and duplicate reimbursement for  
22 low income customers. And I guess my question is, as I say  
23 very simple, haven't you learned from those three states? You  
24 seem to feel that there was no wrongdoing here or there was an  
25 error on the company's part. And it seems to me that you had a



1 track record of doing the same thing in other states, and what  
2 is your excuse for that here in Florida?

3 MR. JOHNSON: I can answer that. We did learn, and  
4 like I said in all the other meetings, we believe every carrier  
5 has double billing or there are some multiple billings on every  
6 carrier's platform, so we are absolutely in the wrong in some  
7 areas. In Florida -- I'm sorry, in Washington and Oregon, we  
8 have invested just about \$200,000 in a brand new database to  
9 try to better track records, because there is a human error  
10 component. You are getting information from the consumer, a  
11 human is putting it into our system, also putting it into the  
12 LEC's system, and the LEC has someone actually who key punches  
13 things in that don't automatically flow through the system.

14 We have made a significant investment in a better  
15 computer system so we can track this information better, and it  
16 is totally -- one of the main objectives of ours and has been  
17 for the last year and a half, trying to build a system that  
18 could better track this transient consumer.

19 We are absolutely at fault in some areas, there is no  
20 doubt about that. Every carrier has double billing. Actually,  
21 the FCC has something on their website that talks about  
22 40 percent of all carriers submit the 497 incorrectly, so I  
23 think they acknowledge the system in dealing with a transient  
24 customer and frames and different platforms, and customers not  
25 notifying carriers, that there is going to be some overlap

1 there. But VCI under no terms thinks that it is totally there  
2 is no wrongdoing there. We are not at all saying that. We do  
3 believe we have some wrongdoing. We are trying to get better  
4 year over year, month over month, day over day is what we have  
5 been striving to do to track this customer better.

6 CHAIRMAN CARTER: Commissioner Argenziano, you're  
7 recognized.

8 COMMISSIONER ARGENZIANO: I'm just not feeling very  
9 warm and cozy right now. Thank you.

10 CHAIRMAN CARTER: We will come back to you.  
11 Commissioner McMurrian.

12 COMMISSIONER McMURRIAN: Thank you, Chairman.

13 And later I know when the company is finished with  
14 their presentation, I would like to hear from staff more,  
15 especially on the points Ms. Klinzman raised about the  
16 definition of facilities and that sort of thing. I was  
17 somewhat confused by that, so maybe you could help me with  
18 that.

19 But first I wanted to ask Ms. Klinzman, I think you  
20 said, and don't let me misquote you, but I think you said that  
21 the staff rec was the first document you had that laid out the  
22 concerns. And I just wanted to verify with you, this is not  
23 the first time -- even though it is the first document, it is  
24 definitely not the first time you have heard of these concerns  
25 from staff, because you have had at least a couple of

1 conference calls, is that right?

2 MS. KLINZMAN: This is correct. There were  
3 conference calls where questions were asked and information  
4 went back and forth, but this is the very first document where  
5 we have a concrete idea of what staff's concerns are. And much  
6 of what was in staff's recommendation was never addressed  
7 during the audit. Some of these allegations we are hearing for  
8 the very first time.

9 COMMISSIONER ARGENZIANO: May I?

10 CHAIRMAN CARTER: Commissioner Argenziano.

11 COMMISSIONER ARGENZIANO: To the point that  
12 Commissioner McMurrian made, at the time that staff -- there  
13 were many conference calls from what I understand, and I  
14 believe the company even questioned -- it was very clear from  
15 staff what the problem was at that time, and the company even  
16 questioned the Commission's authority for oversight of those  
17 issues. So you knew, the company knew back, I think it was in  
18 September. Staff, is that correct?

19 MR. CASEY: Yes, ma'am.

20 COMMISSIONER ARGENZIANO: So you knew at that point,  
21 but just questioned our authority to even question you on those  
22 issues.

23 MS. KLINZMAN: May I respond to that?

24 COMMISSIONER ARGENZIANO: Mr. Chair, certainly.

25 MS. KLINZMAN: May I be recognized?

1 CHAIRMAN CARTER: You're recognized.

2 MS. KLINZMAN: Yes, VCI did question staff's  
3 authority to audit a federal program, but we know that we are  
4 not the only carrier that did that. FairPoint Communications  
5 did request some written information from staff as to where  
6 they drew their authority.

7 We are used to being audited by states where they  
8 have their own universal service funds and USAC. We went  
9 through many different audits from those types of entities. We  
10 have not yet been audited by a state that does not have its own  
11 universal service fund that actually reimburses carriers. We  
12 believe that was a legitimate question based on our experience  
13 and we know we are not the only carrier that had it.

14 CHAIRMAN CARTER: You're recognized.

15 COMMISSIONER ARGENZIANO: Of course my point is not  
16 that you didn't have the right to ask the question, but you  
17 were advised by staff what the problems were at that time.

18 MS. KLINZMAN: We were advised by staff of some of  
19 the problems. We were asked questions and we gave data back  
20 and forth, but I have to be clear that I truly believe that  
21 this is the first document that really sets forth many of  
22 the -- in concrete form what staff's allegations are so that we  
23 can actually sit down with them and discuss. We never heard  
24 anything about the fact that they thought we were a pure resale  
25 carrier.

1           There are a number of other allegations that are  
2 based on information from AT&T that we have never received and  
3 never had a chance to review. We have a full request with the  
4 Commission for that information. We really do want to sit  
5 down. Now that we know exactly what all of the different  
6 issues are, we really do want to sit down with staff and work  
7 this out.

8           CHAIRMAN CARTER: Commissioner Skop.

9           COMMISSIONER SKOP: Thank you, Chairman Carter.

10           Again, I think I share the same concerns that  
11 probably my colleagues have. Commissioner Argenziano has  
12 certainly raised some points as has Commissioner McMurrian.

13           I find it hard to believe, you know, it just seems  
14 like we are getting a host of excuses and collateral issues.  
15 We have the president of the company on the phone telling us  
16 that he knows that there are problems without admitting to  
17 specifically what the problems are, but there are problems  
18 related to the billing.

19           You know, to come in here and say this is the first  
20 time we have heard about this; what about proactive disclosure?  
21 If you know you have problems, perhaps it would be a good idea  
22 to affirmatively disclose those issues to staff as opposed to  
23 coming in and saying, well, this is the first time we have  
24 heard about these concerns.

25           But, again, I'm not persuaded. Again, I think staff

1 has adequately defined the nature of what appears to be going  
2 on here in terms of the conduct of the company. I commend  
3 staff for its diligent and hard work. I think this is some of  
4 the finest work I think I have seen staff do since I have been  
5 at the Commission, and I am strongly in support of the staff  
6 recommendation. Thank you.

7 CHAIRMAN CARTER: Thank you, Commissioner.

8 Commissioner Edgar.

9 COMMISSIONER EDGAR: Mr. Chairman, if it is  
10 appropriate at this time, could we ask staff to respond to some  
11 of the comments and issues that were raised by the company?

12 CHAIRMAN CARTER: I think this is an appropriate  
13 time, absolutely.

14 Mr. Casey, you're recognized.

15 MR. McLEAN: Mr. Chairman, may I respectfully suggest  
16 that I still have some argument to offer that is consistent  
17 with what you have already heard from the company, and I think  
18 you will want to hear staff's response to what I have to say,  
19 as well. But you're the boss.

20 CHAIRMAN CARTER: Mr. McLean, we will be more than  
21 happy to listen to you. You're recognized.

22 MR. McLEAN: Thank you very much, sir.

23 Let me tell you that it is difficult for me to  
24 criticize a piece of staff's work, because like Mr. Skop, I  
25 recognize the excellence of your staff, and I served on it for

1 quite a little while. But, nonetheless, my duty is to tell  
2 about two shortcomings which I believe that it has, and I want  
3 to suggest to you perhaps a better way to go that will serve  
4 staff's interests and the public's interest.

5 First, what I perceive to be a shortcoming of the  
6 staff recommendation is its lack of proportionality. This is a  
7 death sentence to the company. Nothing short of that. It puts  
8 them out of business in Florida. If you vote the staff  
9 recommendation out, you will propose to remove not just their  
10 ETC status, but their CLEC license, as well. I would ask you  
11 to look for a nexus between the nature of the offenses which  
12 are alleged and staff's conclusion that this company lacks  
13 managerial, financial, and technical capability to continue in  
14 the CLEC business.

15 They have 5,000 happy customers in the state of  
16 Florida, from which five complaints have emanated over the past  
17 18 months that we know of. They have real customers in Florida  
18 and they are serving them well. The allegations in this case  
19 go to the issue of payments from the federal -- or from a firm  
20 overseen by the Federal Communications Commission. It does not  
21 go to the quality of service of Florida customers.

22 We recognize that the FCC has had some issues with  
23 this company. But as Commission Terry Deason said from about  
24 four of those microphones up there, this is not a field office  
25 for the FCC. You do not have rules in place governing the

1 behavior of an ETC. It is somewhat difficult for affected  
2 parties, people in the ETC business to know exactly how to  
3 conduct their accounting, and it is somewhat easy to run afoul  
4 of the difficult rules that are currently administered by the  
5 FCC.

6           You have heard from fellow counsel here that there  
7 are quite -- it is a fairly complex area to know whether you  
8 are complying with it. You have heard the response from the  
9 company. There is a genuine issue of material fact here. The  
10 staff brings to you allegations. Staff doesn't bring facts to  
11 you. The proportionality is look at the offenses, look at the  
12 alleged offenses, and think whether they also need to be kicked  
13 out of the CLEC business. They have happy customers. They  
14 have happy customers who don't contact you because they don't  
15 have problems. If you vote affirmatively today, and if that  
16 recommendation became reduced to law, you scatter those 5,000  
17 customers back to AT&T, and I ask you whose interests would  
18 that serve?

19           My second area -- again, it's difficult to criticize  
20 staff, because I respect staff a very great deal, but I think  
21 staff probably should have told you a great deal more about the  
22 special posture that you are in when you undertake to remove a  
23 license. Your staff appears as a prosecutorial force. It is  
24 governed by a case in Florida and many cases which follow it  
25 called the Cherry (phonetic) case, which arose from the Public



1 Service Commission, a case in which the Florida Public Service  
2 Commission was reversed by the Supreme Court for not  
3 maintaining a good firewall between prosecutorial staff and  
4 advisory staff.

5 Two things that are especially important about that  
6 is this company, VCI, has two rights that come immediately to  
7 the forefront when you propose to remove their license. First  
8 of all is a disinterested impartial set of judges who have not  
9 yet made up their minds. The second thing they are entitled to  
10 is staff has the burden to show why they should not continue  
11 the license, and they must show that by clear and convincing  
12 evidence. It is a relatively high standard of proof. The  
13 company will have every opportunity to test that case in  
14 discovery, including depositions, requests for production,  
15 requests for admission, and so forth. It is your staff's duty  
16 to go forward and prosecute this company. And you must  
17 bifurcate the staff into two sections, one which is accusatory  
18 or prosecutorial, and one which is advisory.

19 The reason I bring that up is to suggest to you that  
20 that is a cumbersome and expensive way to proceed when there is  
21 a rather better way to go. My suggestion to you is defer this  
22 thing once or perhaps two agendas and order the folks involved,  
23 as you routinely do and have done over the years, to get  
24 together and figure out what their differences are.

25 I think the scenario that you see in the staff

1 recommendation, aside from whose fault it was, was imperfect  
2 communications between this company and the staff, which in  
3 this case is their accusers. If you set them all down around  
4 the same table with a mandate from this agency to come back  
5 with either one of two things, either a settlement with respect  
6 to all the issues perhaps, a settlement -- or of three things,  
7 a settlement with respect to as many issues as possible, and a  
8 sharpening of exactly what the dispute is so that we can save  
9 time if and when we go to hearing.

10 That would give an opportunity for the two sides to  
11 talk to each other. I don't sense a great deal of a sympathy  
12 from the questions I have heard so far that this company does  
13 not have a good grasp of what the wrongdoing that it is accused  
14 of. It filed a public records request on Friday to discover  
15 more about the case that is brought against them. They don't  
16 know exactly what it is. And in western jurisprudence every  
17 accused person or entity has the right to know the nature of  
18 the accusations against them so that they can defend adequately  
19 against them.

20 So my suggestion to you is it is a better, cheaper,  
21 and better use of public and private resources to defer this  
22 item a couple of times and let these folks talk to each other  
23 and see if they can sharpen their difference. But, if you are  
24 disinclined to do that, this is a death penalty case. If you  
25 vote the staff recommendation out, it becomes proposed agency

1 action, and if it goes unprotested these folks are out of  
2 business in the state of Florida. They must protest.

3 I don't want to express a threat to you. It is not a  
4 threat. I respect proposed agency action, had a hand in it at  
5 its origin, but you can't face the firing squad without having  
6 something to say. And your recommendation would put them out  
7 of business, so they must protest.

8 My point in mentioning that is it will inevitably go  
9 to hearing if you accept the staff recommendation. And if that  
10 be true, and if you are disinclined to afford the opportunity  
11 to these folks to work out their differences with staff, a very  
12 able staff, if you are disinclined to do that, then by all  
13 means simply set it directly to hearing and we will hear what  
14 the staff has to say and what their case is against the company  
15 in much more formal and I think expensive surroundings.

16 Thank you.

17 CHAIRMAN CARTER: Thank you.

18 Commissioners, are we going to listen to staff before  
19 coming back to the Commissioners?

20 Commissioner Argenziano, you're recognized.

21 COMMISSIONER ARGENZIANO: Thank you.

22 I would just like to comment to what some of Mr.  
23 McLean had responded. And I understand he is representing the  
24 company, so it is his job to do so. But I do want to make it  
25 clear that while you stated this is not the field office for

1 the FCC, it is the field office to make sure that the consumers  
2 of the state of Florida, as well as the companies do well and  
3 do business properly, and that the consumers do not get double  
4 billed. Because where I come from, double billing, there is  
5 another term for that. And I just have a real ache right now  
6 in my belly that this company would say now at this time after  
7 its experience in three other states, the same thing, that all  
8 of a sudden it would say we don't know what you are talking  
9 about.

10 So while I understand that we need viable companies  
11 here, they also need -- we have a job and a responsibility and  
12 the public is entitled to that protection of this Commission to  
13 make sure that this doesn't occur. And if you do business in  
14 the wrong way in the state of Florida then perhaps you should  
15 be booted out of the state of Florida.

16 I understand what you're saying. I guess, Mr.  
17 Chairman, my feelings at this moment are I'm not happy with  
18 what the consumers have been hit with. You say five complaints  
19 out of 500. Well, how many of the other 500 know that they  
20 were overbilled? Low income Lifeline customers. So I don't  
21 feel real good about the excuses that the company is giving  
22 today.

23 I don't know where you could go. If we punish the  
24 company and said, you know, this is what you are going to get.  
25 You are going to pay back the consumers right away, and if you

1 want to do business in the state of Florida, even if we decide  
2 to do that today, how do we have accountability in the next few  
3 months while we defer this that they are not going to continue  
4 to rip off the people of the state of Florida?

5           So, you know, the excuse, and I understand you have  
6 to represent your client, but they showed bad business sense  
7 here, and I take exception to the consumers in Florida being  
8 ripped off. Now, if it's an accident, well, then show me where  
9 the accident is. Or I'm not sure how you proceed, Mr.  
10 Chairman, if you wanted this company to even stay in the state  
11 of Florida. What protections would we give the consumer today,  
12 or could you advise, Mr. McLean, that you would give the  
13 consumers today if we deferred like you asked?

14           MR. McLEAN: May I respond?

15           CHAIRMAN CARTER: Yes.

16           MR. McLEAN: First of all, let me mention in passing,  
17 again, that this company is entitled to an unbiased, undecided,  
18 and impartial judge when it does go to hearing. The second  
19 thing is the double billing was against a federal fund to which  
20 Florida sends huge money and gets back small money. It was not  
21 a double billing against customers.

22           You can make an argument, it's a rather, I think,  
23 sketchy argument that the effect on the federal fund if it is  
24 improperly billed will eventually inure to the detriment of all  
25 the citizens of the United States, but those are all unproven

1 facts, number one. But I wouldn't sit here and tell you that a  
2 double billing of a Florida resident, I could not defend that  
3 and I don't believe that is what is happening here.

4 If there is double billing, and I doubt that there is  
5 because I am persuaded by what the company tells me, if there  
6 is it is a double billing of a fund in Washington to which we  
7 all send money like it or not. I think it's real important,  
8 and I don't want to beat the drum too hard, that this company  
9 is entitled to unbiased, undecided, and disinterested judges  
10 when the hearing comes, if it comes.

11 CHAIRMAN CARTER: Commissioner Argenziano.

12 COMMISSIONER ARGENZIANO: Can you tell me, does the  
13 company still do business in Minnesota, Oregon, and Washington?

14 MR. McLEAN: No, ma'am, but I believe that the  
15 company -- yes, in Minnesota I'm advised.

16 CHAIRMAN CARTER: Commissioner Skop.

17 COMMISSIONER SKOP: Thank you, Mr. Chairman.

18 And, again, Mr. McLean, thank you very much for  
19 raising the arguments. I do respect the due process argument  
20 that you have raised. The question I have, I guess you just  
21 made an analogy, and this is where I'm having a disconnect. I  
22 mean, we speak to the double billing of the universal service  
23 fund. Personally, I don't have a problem. I mean, if there  
24 are eligible carriers who are able to tap from that fund, so be  
25 it. I mean, you know, there has been arguments raised that the

1 federal fund is flawed and there is redundancies and what have  
2 you. But, again, it is analogous to, perhaps, a flawed tax  
3 system. And I'm trying to think of the word. I'll come back  
4 to it in a second.

5           Anyway, what I'm trying to get at, though, is I don't  
6 see a basis -- I hear more of an excuse that double billing of  
7 the federal fund is acceptable. And, again, I'm having  
8 problems with that. I don't think I could say it any better  
9 than Commissioner Argenziano articulated it. There is problems  
10 here, and, you know, if we need to go to hearing, maybe we need  
11 to go to hearing. But at the end of the day, the company seems  
12 to have a consistent track record of having problems.

13           You know, what I would like staff to articulate also  
14 is that it seems to me that my understanding is that Washington  
15 state and Oregon seem to be states where the company pulled the  
16 certificate prior to any action being taken. So it was a  
17 voluntary withdrawal. And to me, I wonder if the same thing  
18 would happen here if we moved affirmatively forward with the  
19 staff recommendation whether we would see that same voluntary  
20 action.

21           But, again, you know, getting back to this universal  
22 service fund argument that may be analogous in some situations  
23 to companies exploiting what is a tax loophole. Businesses do  
24 that every day, but I can distinguish that whole-heartedly  
25 between double billing of the federal fund, which as

1 Commissioner Argenziano raised, there is another word for what  
2 appears to be going on here.

3           So, again, I'm interested to hear our staff rebut  
4 some of the arguments that have been made, but I just hear a  
5 whole host of excuses that, you know, because it's a federal  
6 issue we should just choose to ignore it, irrespective of how  
7 business is supposed to be conducted in Florida and the issues  
8 related to protecting our consumers. Thank you.

9           CHAIRMAN CARTER: Thank you. Hold on. Hold, it.  
10 I've got the gavel. Here is how it works. We will hear from  
11 Commissioner McMurrin, then we will hear from staff, then we  
12 will hear from Commissioner Edgar. That's the way it goes,  
13 okay?

14           Then, Commissioners, if you have any questions for  
15 the parties, then we will go back to the parties, but this is  
16 the way it is going to go. Commissioner McMurrin had some  
17 questions, then we will hear from staff to respond to the  
18 questions, then we will hear from Commissioner Edgar.

19           Commissioner McMurrin, you're recognized.

20           COMMISSIONER McMURRIAN: Thank you, Chairman. And I  
21 guess these questions could be answered by the parties and  
22 staff, and however you choose to lay that out, that is  
23 perfectly okay with me.

24           Mr. McLean brought up the point about the options,  
25 about settlement and sharpening the dispute and then PAA, and



1 that there would be a likely protest, or setting it directly  
2 for hearing. And I want to hear from staff and the company  
3 about even if those latter two options were chosen, if you vote  
4 out the PAA in accordance with the staff recommendation and  
5 they protest, or if we set it directly for hearing, there is  
6 nothing that stops us also directing the parties to work with  
7 the staff on trying to come to some settlement of some of these  
8 issues and sharpening the dispute before we are actually in  
9 hearing mode, if we are. And that is one question.

10           And I guess the second, I guess it is a point, but I  
11 also want to make sure I get clarification from our General  
12 Counsel on this. But with respect to the right to unbiased  
13 decision-makers, and I think that is correct, in a PAA mode,  
14 though, we are allowed to deal with allegations and not  
15 necessarily facts. We definitely are in a fact finding mode of  
16 an official hearing, and so it is sort of a quick and dirty  
17 decision based on what we have before us without having to have  
18 sworn testimony at this point. And then if we go forward and  
19 there is a hearing, we have the sworn testimony, and it may be  
20 that the decision is different after we find out the true facts  
21 of the case. But at this point we don't have to have exact  
22 facts. I am probably not laying this out exactly correctly,  
23 but can you help me?

24           Chairman, whenever it's appropriate, I wanted answers  
25 to those two points.

1 CHAIRMAN CARTER: Okay. Mr. Cooke, you're  
2 recognized.

3 MR. COOKE: The first point was whether we could have  
4 negotiations if there was a hearing in process. And, yes, the  
5 answer is that there is no reason we couldn't continue to speak  
6 with the company and see if there is some settlement that is  
7 appropriate, and that could be presented to the Commission.

8 The second question is this is PAA, proposed agency  
9 action, and we are entitled to -- it's an informal process  
10 based on the allegations that are presented in the  
11 recommendation. The company has the right if it disagrees with  
12 the outcome of this process to request a hearing, and a hearing  
13 would be conducted, and I believe that this Commission, these  
14 Commissioners, based on the evidence heard at that hearing  
15 would exercise unbiased decision-making at that point.

16 CHAIRMAN CARTER: Commissioner Edgar, after hearing  
17 from staff, Commissioner McMurrin asked a question that would  
18 go to the parties and to staff. Did you want me to continue  
19 with her line of questioning and then come back to staff?

20 COMMISSIONER EDGAR: Thank you. If I may, a brief  
21 comment along the same lines.

22 CHAIRMAN CARTER: You're recognized.

23 COMMISSIONER EDGAR: Thank you, Mr. Chairman.

24 And, Commissioner McMurrin, you asked the questions  
25 that I was getting ready to ask, so thank you. I'm thinking

1 back over the past few years, and probably even before that,  
2 and I think we have had a number of instances where we have  
3 adopted a PAA recommendation and have begun to move in the  
4 direction of going to hearing, but, yet, have also had our  
5 staff work with a party or parties towards a potential  
6 settlement or other negotiations. So I think that we do have  
7 precedent of that occurring in the past in a number of fronts,  
8 and I would say that that is not all that unusual in either a  
9 regulatory administrative forum or in any other judicial forum  
10 that at the same time you are getting ready to go to hearing,  
11 you are also exploring other remedies that may or may not be  
12 able to come to fruition. So the comments about bifurcating  
13 staff, I mean, I think all of that is very doable.

14           You know, there are a number of issues in here. We  
15 have the excess charges, or allegations, or instances raised of  
16 excess E911 fees, of inappropriate billing, of late fees, of  
17 concerns raised about, my words, that perhaps misuse of some of  
18 the federal funds, and that is an issue that is of particular  
19 interest and concern to me.

20           So I guess I would like, if I may, Mr. Chairman, then  
21 as part of this discussion that we are having to ask staff to  
22 also respond to some of those issues that have come up in their  
23 investigation that brought us to where we are today, because I  
24 think there are some other instances of concern that we haven't  
25 really touched on yet.

1 CHAIRMAN CARTER: Mr. Casey, you're recognized.

2 MR. CASEY: Thank you, Mr. Chairman.

3 We began looking at VCI last year in April, and we  
4 sent out a data request to them because we were worried about  
5 the toll blocking charges. It seemed that every one of their  
6 customers were on toll blocking. We wanted to make sure that  
7 the customers had an option to take toll blocking or not. That  
8 is what started it.

9 And, of course, we can go back even further. Staff  
10 has been monitoring universal service disbursements since  
11 October of 2004. Every month we watch what's disbursed and to  
12 who it is disbursed. If we see a red flag or something, we  
13 will question it, and we will go after it and find out what's  
14 wrong.

15 In August -- well, even before August. In June of  
16 last year we had an agenda conference where this Commission was  
17 adamant about accountability of the Federal Universal Service  
18 Fund and practically demanded accountability. And that is what  
19 staff is after, accountability. The order from the FCC came  
20 out in August. We followed up and notified them of an audit in  
21 September. And, as Ms. Klinzman said, they questioned our  
22 authority, but that was straightened up on the conference call.  
23 I asked at the end of that explanation if they still wanted a  
24 written response and they say no, that would be fine.

25 Then we had another conference call, post-audit

1 conference call, and then we actually gave them the questions  
2 that we were going to ask. They asked if they could have the  
3 questions ahead of time. So they new staff's concerns. We  
4 actually wrote out the questions and submitted them to them  
5 before the conference call.

6 Staff went on and analyzed the information from the  
7 audit. We went ahead and subpoenaed AT&T's records, because we  
8 wanted to know the actual amount of lines in the state of  
9 Florida that VCI had, and compared them to what they were  
10 claiming at the universal service administrative company. And  
11 that is the black and white picture right here.

12 We have the actual lines in the state of Florida,  
13 which were provided by their underlying carrier, and we have  
14 the Form 497s, which were filed by VCI showing the number of  
15 lines that they claimed, and there is a huge amount of  
16 difference. Mr. McLean said that they have 5,000 happy  
17 customers. Well, according to the actual number of lines in  
18 the state of Florida it's a fraction of that.

19 If I could respond just to a couple of Ms. Klinzman's  
20 inquiries. On E911, staff would be happy to look at that if  
21 they could provide proof of the actual payments to the 911. We  
22 are concerned. Of the telephone numbers that they did give us,  
23 there was a lot of false ones. If they could provide some  
24 evidence in an affidavit, staff could certainly work with that.

25 As far as being a strict reseller, we never stated

1 that they were a strict reseller. What the recommendation  
2 states is that between June and November of last year they were  
3 a strict reseller. Now, in order to provide universal service,  
4 they have to use their own facilities or a combination of their  
5 own facilities and another carrier's resale facilities. They  
6 didn't do that for six months. From May -- I'm sorry, from  
7 June until November of last year they did not, it was strictly  
8 resale. So we didn't say they were a strict reseller the whole  
9 time, just those six months they were a strict reseller in  
10 violation of federal rules.

11 As far as a death sentence, yes, it is, and we took  
12 it very seriously whether or not to recommend that. I  
13 contacted the Federal Communications Commission, the  
14 enforcement bureau, and spoke to a deputy bureau chief just two  
15 weeks ago, and I have had three calls with him since then. And  
16 I was asking if a state commission has the authority to suspend  
17 payments to an ETC. He called me at 4:00 o'clock yesterday  
18 finally, and said no, we can't answer you. We don't know.

19 What can this Commission do? Well, we can only do  
20 what is in our purview. We can rescind the ETC status, which  
21 is their license to receive these federal funds. Apparently,  
22 according to the FCC, we can't suspend it at this time. The  
23 only thing we can do is rescind that ETC status, which would  
24 stop payments to them.

25 The reason why we started this, basically two things.

1 The Commission issued the ETC status to them, granted it. We  
2 granted it to them, we also have the authority to take it back,  
3 and that has been stated in many FCC orders. That was our  
4 concern. We gave them this license and this misconduct is  
5 occurring, and that bothers staff.

6 The other thing is that Florida consumers are paying  
7 into the universal service fund. What staff is saying is that  
8 there was 1.3 million inappropriately given to them. Well,  
9 Florida citizens accounted for over \$100,000 of that, and that  
10 also concerns staff. And if you have any legal questions, of  
11 course, my attorney is here. I don't want to get into that.

12 CHAIRMAN CARTER: Commissioner Edgar.

13 COMMISSIONER EDGAR: Thank you, Mr. Chairman.

14 You know, as I think through these issues, it does  
15 seem to me that under both the federal and state law that state  
16 commissions have the authority to grant ETC status under  
17 certain criteria, and that when that grant is given that that  
18 is offering kind of the keys to the kingdom. I mean, it is  
19 offering or giving the right to pull down federal funds that  
20 every consumer contributes to. And because it is an action of  
21 the state commission to then open the doors to those federal  
22 funds, I do feel like we have a responsibility to have our  
23 staff do audits and to pursue accountability and to pursue  
24 fuller and more transparent information about what is being  
25 done with those funds under that program. And I'm just

1 concerned that with a number of the issues that staff have  
2 raised to us that we may need to take some action.

3 CHAIRMAN CARTER: Thank you, Commissioner.

4 I'm just kind of thinking aloud. I'm going to get to  
5 part two of your question, Commissioner McMurrian. I'm just  
6 kind of thinking aloud. Listening to Mr. McLean's lecture  
7 about he didn't want to threaten us or anything like that, but  
8 we have got lawyers, too. And I don't know anybody on this  
9 Commission that's willing to be intimidated, so that's not an  
10 issue.

11 I think what is before us is, you know, we get into  
12 the weeds, but let's kind of break it down to reality. The  
13 reality is people were overcharged by this company. That's the  
14 reality. Secondly is that this company, even when it got  
15 caught with its hands in the cookie jar, tried to backhand  
16 staff and say you don't have jurisdiction.

17 You know, first of all, let he who seek equity do so  
18 with clean hands. This doesn't seem like a clean hands case,  
19 Mr. McLean. And fundamentally in business is that if the ETC  
20 status was so important to this company, it seems like to me  
21 they would have moved heaven and earth to protect it, and I  
22 don't think they have done so in this case. I really don't  
23 think so. I think that on its face it's a classic case of, you  
24 know, how not to run a business.

25 And Commissioner Edgar, Commissioner Argenziano,



1 Commissioner Skop, Commissioner McMurrrian, and myself agree  
2 that citizens of Florida, customers in Florida paid money for  
3 services that were not rendered to them, and I haven't heard  
4 anyone on the side of this company make any kind of statement  
5 about a refund, any kind of attempt that they may refund one  
6 brown penny to the customers. That gives me great concern. I  
7 have heard all the legal and lofty arguments, by I haven't  
8 heard not single scintilla of a statement from anyone saying we  
9 found out that we made a mistake, therefore, we are willing to  
10 offer a refund to the customers.

11           Commissioners, did I miss something? Did you all  
12 hear that, because I didn't hear that. I'm really concerned  
13 about that.

14           Now, Commissioner McMurrrian, you had two questions  
15 and you asked your two questions of staff and you asked them of  
16 the parties. You're recognized.

17           COMMISSIONER McMURRIAN: Thank you. I'm sure  
18 Mr. McLean remembers my questions, but I will go over them  
19 again. The first was with respect to your three options, and  
20 particularly with the second two with regard to if we were to  
21 vote out staff's rec and the PAA form and it was protested, and  
22 it sounds like it definitely would be, or we set it directly  
23 for hearing that you would still be in a posture to settle. In  
24 fact, the Commission could try to direct the parties to settle  
25 and try to sharpen the case, as you said, before we get into

1 the hearing mode.

2           And then the second was with respect to the bias  
3 issue. And, again, we are in that PAA posture, and that we are  
4 dealing with, I guess, allegations at this stage, and that if  
5 we do end up in a hearing mode, and, again, it sounds like we  
6 might very well do that, then we will be looking at sworn  
7 testimony and facts and we will be looking at it from that  
8 point of view. But I will just let you respond to those two  
9 things.

10           MR. McLEAN: Yes, ma'am. I agree entirely with your  
11 General Counsel. It is certainly true that you can settle the  
12 case until the jury gets back, essentially. We will always be  
13 willing to settle, willing to talk, I should say, and try to  
14 work these differences out. And that can follow all the way  
15 through the process, irrespective of what your vote is today.

16           I would say, however, that when you vote out  
17 essentially an indictment, an administrative law indictment,  
18 which your show cause order is, it revokes their license,  
19 parties are more likely to engage in a siege mentality. It is  
20 human nature to be a lot more careful when you are under the  
21 gun, and I believe it would chill settlement negotiations that  
22 would otherwise take place. That's my personal experience with  
23 negotiations, and I would urge you, again, to allow some time  
24 for them to work out their differences. But, yes, ma'am, it is  
25 certainly true that if you vote the staff recommendation, or if

1 you vote to go directly to hearing, it is still possible to  
2 have settlement negotiations. I think less likely, but  
3 certainly still possible.

4           The second issue, I think I may have been  
5 misunderstood when I reemphasized several times that the  
6 parties are entitled to unbiased, undecided, fair judges of  
7 their case. You have seized the proposed agency action exactly  
8 correctly. Some have called it quick and dirty and I accept  
9 that. It is essentially, staff brings to you a series of  
10 allegations and you propose to act on those. That alone, of  
11 course, doesn't represent any bias at all. But when you make  
12 statements like the company should probably be run out of the  
13 state of Florida, you are signaling how you are going to  
14 receive the evidence, perhaps, when presented.

15           And my point in bringing that up several times was to  
16 say, remember, this is an accusatory proceeding in which the  
17 staff is accusing a business and that business is entitled,  
18 just like every other citizen of the state, to a fair hearing,  
19 to the production of clear and convincing evidence before an  
20 unbiased panel.

21           CHAIRMAN CARTER: Commissioner Argenziano.

22           COMMISSIONER ARGENZIANO: To the point, if you are  
23 referring, Mr. McLean, to my comment, let me refresh your  
24 memory of what I said, is that if the company was practicing in  
25 a way that was not in the interest of the consumer, or abiding

1 by the FCC rules, or the Florida law, then perhaps they should  
2 not longer practice or be in business in the state of Florida.  
3 So that is my opinion if they were found to have not been above  
4 and beyond.

5 MR. McLEAN: We agree with that entirely,  
6 Commissioner.

7 COMMISSIONER ARGENZIANO: Let me put into the record  
8 something else so that it's not just -- sometimes it's just  
9 common sense. Sometimes you just read and see what you find,  
10 and sometimes you just come up with a conclusion. And let me  
11 read this, if I may. Indulge me, please.

12 CHAIRMAN CARTER: You're recognized.

13 COMMISSIONER ARGENZIANO: "Seven phone numbers of the  
14 130 sample invoices from Florida obtained by our auditors  
15 contained area codes for Canada, Georgia, Texas, Michigan, one  
16 fictitious area code, and two area codes that are not even  
17 assigned yet. However, each of the addresses on the bills had  
18 Florida addresses. Staff believes that these bills may not  
19 represent real customers.

20 "Staff called the telephone numbers provided on the  
21 130 invoices and found that 77 numbers were disconnected, nine  
22 had recordings that their numbers were not in service, four  
23 were business numbers not eligible for Lifeline, two were  
24 consumers that stated that they were not customers of VCI, and  
25 one was a consumer who stated he was a VCI customer, but not on

1 the Lifeline program. Two customers confirmed that VCI was  
2 their provider of service and that they were participants in  
3 the Lifeline program.

4 "A check of the 130 sample VCI invoices also showed  
5 that every customer was paying a \$10 late fee. Every customer.  
6 Staff asked VCI how all 130 customers in the random sample  
7 could have paid their bill late. VCI replied that it was a  
8 coincidence. And during staff's calls to verify the VCI  
9 customers, one customer stated that VCI's payment was an  
10 automatic deduction from their checking account and it still  
11 showed a late payment on its invoice."

12 So some things you just take at face value, you know,  
13 when the customers are called and asked the question. That,  
14 you know, just makes you feel, like I said before, not so cozy  
15 about the whole situation.

16 Mr. Chairman, if it is proper and due process to go  
17 to a hearing, then I say yes, due process should always take  
18 place. But I would want some assurances and maybe some kind of  
19 a little maybe a friendly statement by the company that they  
20 are willing to pay back the consumers of the state of Florida  
21 if they overcharged inappropriately. And some kind of security  
22 in between that due process. How do we know that that doesn't  
23 continue while it's deferred and then they pull a certificate  
24 and our consumers are out even more money after deferring. So  
25 that would be my feeling at this time.

1           CHAIRMAN CARTER: Commissioner Argenziano, I share  
2 your concern, because to me with the PAA -- I disagree with Mr.  
3 McLean's perspective on it. I think that we can resolve -- if  
4 we go to a formal hearing, we may decide to allow them to  
5 maintain the ETC status and we may not, but certainly we will  
6 get into a more formalized process. But I agree with what you  
7 are saying is that we don't really want them to say that they  
8 have got the money, so we will just withdraw and you don't have  
9 any jurisdiction over us. So all of the money that we got,  
10 including the \$100,000 from the Florida customers, we'll get to  
11 keep that, too.

12           And if they are serious about doing business in  
13 Florida, they will go through the process. I am concerned  
14 about that as well. And I'm sure that from listening to what  
15 all five of us are saying, I hope that everybody understands  
16 that we are concerned about this. We are very concerned about  
17 this.

18           Mr. Johnson?

19           MR. JOHNSON: Yes. Yes. Yes.

20           CHAIRMAN CARTER: Do you want to say anything?

21           MR. JOHNSON: Yes, I do. I absolutely want to say  
22 something.

23           (Simultaneous conversation.)

24           CHAIRMAN CARTER: Mr. Johnson?

25           MR. JOHNSON: Yes.

1           CHAIRMAN CARTER: I hope you have been listening to  
2 the Commissioners.

3           MR. JOHNSON: Oh, absolutely I have.

4           CHAIRMAN CARTER: And I hope that what you have to  
5 say will have some impact on where we are.

6           MR. JOHNSON: I understand. I heard everything the  
7 Commissioners said.

8           First and foremost, every single meeting VCI had with  
9 staff we agreed to resubmit 497s for anything that we both  
10 agreed was a double billing. I just want to address all the  
11 concerns that I heard that VCI had never ever said they would  
12 refund any monies that were found in wrongdoing. The whole  
13 time we went through the process we did that.

14           Anybody who deals with the low income consumer knows  
15 how transient the customers are. Some of the bills they looked  
16 at are over a year old. Some of the 137 bills that they  
17 grabbed from are well over a year old. Our average customer, a  
18 good customer lasts four months. They are on and off the  
19 platform all the time. Area codes, you have typos from our  
20 system to their system. There are absolutely some inherent  
21 errors in the system and VCI agreed to resubmit 497s.

22           Of the \$100,000 that VCI took from Florida customers,  
23 I'm not quite sure how staff arrived at that number, because  
24 there is well over 4 or \$5 million that goes into California  
25 from Florida every year. I'm not going to go that direction

1 right now.

2 Commissioner, whatever you guys decide, it sounds  
3 like to me decisions have already been made. I understand if  
4 you guys feel that that is the way we are, and you have heard  
5 everything we had to say, then I would like to go ahead and go  
6 to trial as soon -- I'd like to go ahead and get started on  
7 this. Because we bill no different than any of the other  
8 wireless carriers there. The billing system we developed comes  
9 from a Verizon, or AT&T.

10 All of those questions were never asked. Not once  
11 did we get a question saying, well, hey, we subpoenaed AT&T,  
12 you know, they said you have one line, you say you have four.  
13 Not one time did we hear anybody ask any questions at all. I  
14 could have easily explained, hey, this is how our billing  
15 system works. We are in a one-year contract, one-year  
16 agreement with every customer based on the FCC's rules, and we  
17 are not allowed to collect early on any of those customers  
18 until the one year is up.

19 So every single month whether the line is active or  
20 not, which there's no rules in the FCC rules that says the line  
21 has to be active. Every month they get a connection fee. If  
22 they don't pay the connection fee by the 15th they get a late  
23 charge. Every single month. That's invoiced billable  
24 customers according to the FCC rules. I don't see anywhere --  
25 we've went back and forth, we bill just like wireless carriers



1 bill. You enter an agreement with those guys, you are under  
2 contract where you pay an early termination fee. We could have  
3 talked to staff about any question that they had. They never  
4 actually asked the questions they wanted to know.

5 Yes, we got a lot of information thrown across the  
6 desk at us and answering questions, and the six months that he  
7 talked about we operated legally, we had a union line in every  
8 single one of those months. We did provide facilities or had a  
9 combination of. Some of the experts at the FCC and DC believe  
10 that if you provide a de minimis number of UNEs on your  
11 platform, as long as it's a combination of, that's  
12 facility-based. That has not been defined by the FCC, as well.  
13 So during those six months we had a combination of. We just  
14 chose to build our own network. Contrary to what AT&T says,  
15 you can dial around and get toll charges.

16 CHAIRMAN CARTER: Thank you, Mr. Johnson.

17 Commissioner Argenziano, you're recognized for a  
18 question.

19 Mr. Johnson, we have a question for you.

20 MR. JOHNSON: Sure.

21 COMMISSIONER ARGENZIANO: Mr. Johnson, how do you  
22 explain when a customer's payment is automatically deducted  
23 from his checking account, how do you explain a late fee on  
24 that?

25 MR. JOHNSON: Okay, I can explain that. We have

1 several customers whose have a date -- and I think I found a  
2 particular customer that you talked about. He gets a late fee  
3 every month. We actually charge him through his automatic  
4 payment. It actually bounces. His check hasn't arrived yet.  
5 Anytime he gets his check and it arrives a day or two late, he  
6 actually bounces it, and we get charged from the bank. We get  
7 charged from our bank because the payment doesn't go through,  
8 his debit card. So it actually bounces back and forth, so his  
9 bill is not paid on time.

10 COMMISSIONER ARGENZIANO: I don't understand that at  
11 all. I know I have automatic deductions from my checking  
12 account and I don't get any late fees.

13 MR. JOHNSON: If you are of a certain  
14 creditworthiness with the bank and you have never had any  
15 bounced checks or any of those things like that, they will  
16 approve up to a certain limit if you have overdraft protection.  
17 Most of our customers are not -- well, they're not creditworthy  
18 or they would be with the AT&T if that was an option for them,  
19 but it wasn't. So any time you charge their account and the  
20 funds are not available right there, it actually bounces.

21 COMMISSIONER ARGENZIANO: I would like staff to  
22 address that because I don't see how that's possible.

23 MR. JOHNSON: Sure.

24 CHAIRMAN CARTER: Mr. Casey or Mr. Moses.

25 MR. MOSES: Well, the person that he is talking to,

1 I'm the one that made the telephone call to them, and the lady  
2 told me that she had it automatically drafted from her checking  
3 account every month, and she mentioned nothing about being any  
4 bounced checks or anything of that nature. And when I  
5 questioned her about the \$10 late fee on her invoice, she said,  
6 well, that is on there every time, and she said that's just the  
7 way it is.

8 MR. JOHNSON: I can respond to that as well, too.  
9 Two things. It had to be a debit card. We don't do checks  
10 over the phone. She had a debit card that if her check, you  
11 know, arrives on the 5th and she has a date set up for the  
12 10th -- or, I'm sorry, for the 4th, and we go through and run  
13 her debit card on the 4th, if her monies are not available in  
14 her account, that comes back as a -- I will called it a bounced  
15 check or a kickback. So her payment is not actually made on  
16 the date that she has scheduled.

17 MR. MOSES: Regardless, Commissioners, of this one  
18 individual, every single invoice that we got had that late  
19 charge on it, and I find it hard to believe that 130 people are  
20 late every single month.

21 MR. JOHNSON: Well, I can say this, every new  
22 customer we get, 50 percent of them disconnect. Of every  
23 customer that stay on our platform, 20 percent disconnect every  
24 single month. And that's pretty much industry standard; so  
25 getting paid late is the second dynamic of it. We are talking

1 people don't pay at all.

2 CHAIRMAN CARTER: Thank you, Mr. Johnson.

3 Commissioner Edgar, you're recognized.

4 COMMISSIONER EDGAR: Thank you, Mr. Chairman. As we  
5 are all aware, the universal service fund and all of the  
6 various components and programs related to it have  
7 accountability spread across a number of places, a number of  
8 levels with USAC, with the FCC, with the state commissions,  
9 certainly also with the companies.

10 I am comfortable that with all of the discussion that  
11 we have had today and the work that our staff has done, that to  
12 proceed with the PAA process is appropriate at this time, and I  
13 would make a motion in support of the staff recommendation.

14 COMMISSIONER SKOP: Second.

15 CHAIRMAN CARTER: It has been moved and properly  
16 seconded.

17 Commissioners, any questions?

18 Commissioner McMurrin, you're recognized.

19 COMMISSIONER McMURRIAN: Yes. I'm going to support  
20 the motion, but I did want to ask a procedural question of our  
21 legal staff. How soon can we get the order out? And then Part  
22 B would be -- because I heard Mr. Johnson when he said he's  
23 ready to just get on to trial. I know that we normally have a  
24 certain period, a protest period. If the company were to  
25 protest earlier, we can get started with setting the matter for

1 hearing earlier, can we not? Or do we still need to wait in  
2 case any other party protested for that full protest period?  
3 Am I making sense? I will try to rephrase if I need to.

4 MR. COOKE: Commissioner, I think as soon as it's  
5 protested we can begin trying -- it's more a reflection of the  
6 calendar and making sure we can get hearing dates scheduled, et  
7 cetera. If other persons later on, I guess, wanted to  
8 intervene, there's an intervention process.

9 CHAIRMAN CARTER: Commissioner Skop.

10 COMMISSIONER SKOP: Thank you, Mr. Chairman.

11 And I think this has been mentioned, but I just want  
12 to have staff reiterate that if we move forward with the PAA  
13 and rescind the certificate that the customers are adequately  
14 protected. There are other mechanisms for the customers who  
15 receive phone service.

16 MR. CASEY: Yes, sir. In the recommendation we are  
17 asking that the Commission order AT&T to take over those  
18 customers. They are the underlying carrier, they are also an  
19 ETC.

20 COMMISSIONER SKOP: Thank you.

21 MR. McLEAN: May I have a point of clarification?

22 You're voting to do that if the case is borne out at  
23 hearing, is that correct, or is there a waiver contemplated  
24 now? Because the way I read the recommendation, that waiver  
25 would occur, if ever, after hearing.

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CHAIRMAN CARTER: Mr. Casey.

Ms. Tan.

MS. TAN: Lee Eng Tan for Commission staff. If the PAA is consummated, then the waiver would go into effect.

MR. COOKE: In other words, Commissioners, if it's protested then there is not a final decision on this.

MR. McLEAN: Thank you.

That's the way I originally took it. I just wanted to make sure. Thank you very much.

CHAIRMAN CARTER: Okay. Commissioners, any further questions? We have been moved and properly seconded. Are you ready for the vote? All in favor of the vote, let it be known by the sign of aye.

(Unanimous affirmative vote.)

CHAIRMAN CARTER: All those opposed, like sign.

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STATE OF FLORIDA     )  
                                  :  
COUNTY OF LEON     )


CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 19th day of February, 2008.

  
\_\_\_\_\_  
JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
(850) 413-6732

**EXHIBIT RJC-15**  
**REDACTED**



**CONFIDENTIAL**

REDACTED  
Exhibit RJC-15 (Page 1 of 16)  
**CONFIDENTIAL**

VCI COMPANY'S RESPONSES TO STAFF'S POST-AUDIT QUESTIONS  
MADE DURING JANUARY 9, 2008 TELECONFERENCE

*undkt/d*

VCI Company ("VCI") hereby responds to staff's post-audit questions<sup>1</sup> posed during a January 9, 2008 teleconference between VCI and Florida Public Service Commission staff ("Staff"). VCI has filed a claim of confidentiality covering all of its responses to Staff's questions. Accordingly, all responses are in attached exhibits, filed under seal and marked confidential.

Question No. 1: What is VCI's cost of providing Toll Limitation Service (TLS). Please provide a detailed breakdown of VCI's incremental cost showing any non-recurring and recurring costs VCI incurs to provide toll limitation service to Lifeline customers. Show how these costs are calculated.

Response: See Exhibit A, attached hereto and filed under seal.

Question No. 2: Please provide the rule that allows you to charge a TLS charge of [REDACTED]. Please explain VCI's interpretation of this rule, including the cost of providing the service and how it is calculated.

Response: See Exhibit B, attached hereto and filed under seal.

Question No. 3: What were the total number of VCI customers and total number of Lifeline customers in Florida in December 2007? Also, please provide a definition of VCI customers and AT&T customers.

Response: See Exhibit C, attached hereto and filed under seal.

Question No. 4: Please provide a worksheet on over-collection of the 911 fee in Florida, with the change in amount from [REDACTED] to [REDACTED]. Provide a total amount of over-collection.

Response: See Exhibit D(1), attached hereto and filed under seal.

(a) What is VCI's plan for refunding, including refunds to customers who are no longer customers of VCI?

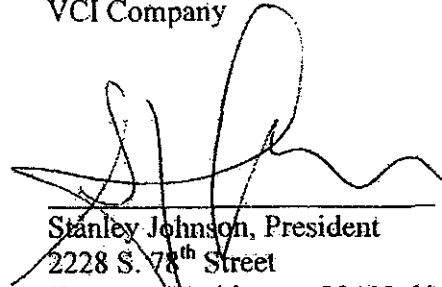
Response: See Exhibit D(2), attached hereto and filed under seal.

DOCUMENT NUMBER - DAN  
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FPSC-COMMISSION CLERK

<sup>1</sup> The questions to be answered were confirmed by e-mail from Lee Eng Tan to Stacey Klinzman, January 14, 2008.

Dated this 16th day of January, 2008.

VCI Company

A handwritten signature in black ink, appearing to read 'Stanley Johnson', is written over a horizontal line. The signature is stylized and somewhat cursive.

Stanley Johnson, President

2228 S. 78<sup>th</sup> Street

Tacoma, Washington 98409-9050

(253) 973-2476

E-mail: [stanj@vcicompany.com](mailto:stanj@vcicompany.com)

EXHIBIT A

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 1

(ATTACHED -FILED UNDER SEAL)

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 1

Question No. 1:      What is VCI's cost of providing Toll Limitation Service (TLS). Please provide a detailed breakdown of VCI's incremental cost showing any non-recurring and recurring costs VCI incurs to provide toll limitation service to Lifeline customers. Show how these costs are calculated.

VCI TLS System

Investment  
Nonrecurring

[REDACTED]

[REDACTED]

Recurring Monthly

[REDACTED]

Investment  
Recurring

[REDACTED]

Total 8,806.50 Per Month

Personnel Charges -4 persons  
Total Monthly Costs of System

[REDACTED] Per Month Salary, Benefits etc.

Recouping VCI's Investment

Nonrecurring Investment

[REDACTED]

Total Monthly Costs of System

[REDACTED]

Total Monthly Investment to be Recouped

[REDACTED]

Recurring Toll Limitation Service Charge

No. of Total Customers Needed Per Month to Meet Goal

[REDACTED]

VCI recouped its nonrecurring investment as of [REDACTED] and now charges approximately [REDACTED] per month for TLS to recoup its monthly recurring expenses for this network.

VCI COMPANY  
CONFIDENTIAL RESPONSE TO DATE REQUEST NO. 19

EXHIBIT B

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 2

(ATTACHED – FILED UNDER SEAL)

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 2

Question No. 2: Please provide the rule that allows you to charge a TLS charge of \$3.13. Please explain VCI's interpretation of this rule, including the cost of providing the service and how it is calculated.

Response:

The rule that permits VCI to charge a TLS charge based on its incremental costs of providing service is 47 CFR 54.403(c). [REDACTED]

[REDACTED]

[REDACTED]



EXHIBIT C

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 3

(ATTACHED -- UNDER SEAL)

VCI COMPANY'S CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 3

Question No. 3

What were the total number of VCI customers and total number of Lifeline customers in Florida in December 2007? Also, please provide a definition of VCI customers and AT&T customers.

Response:

[REDACTED]

EXHIBIT D(1)

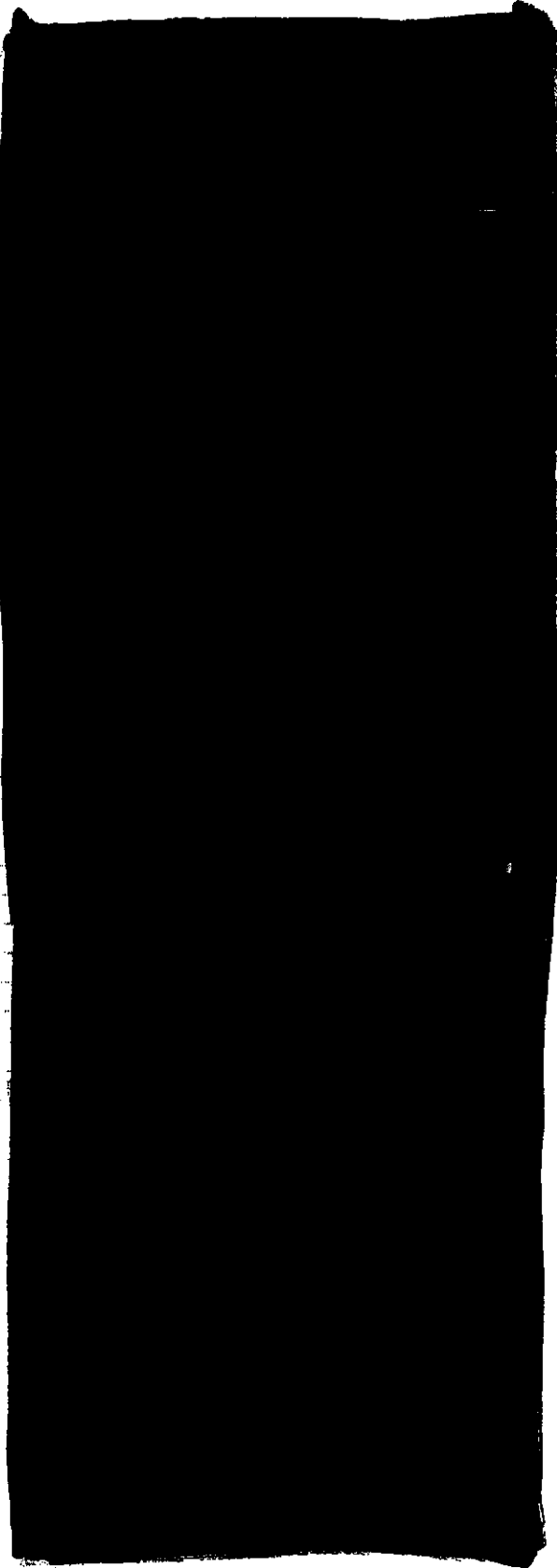
VCI COMPANY CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 4

(ATTACHED - UNDER SEAL)

VCI 911 Fee Over Collection Worksheet 8/06 - 1/08

Archer  
Atlantic Beach  
Belle Glade  
Biscayne Park  
Boca Raton  
Boynton Beach  
Bronson  
Bryceville  
Cape Canaveral  
Chiefland  
Coconut Creek  
Coral Gables  
Coral Springs  
Crescent City  
Cross City  
Cutler Bay  
Dania  
Davie  
Deerfield Beach  
Delray Beach  
Dunnellon  
El Portal  
Fernandina Beach  
Florida City  
Fort Lauderdale  
Fort Pierce  
Gainesville  
Green Cove Springs  
Greenacres  
Hallendale  
Hallendale Beach  
Hawthorne  
Hialeah  
Hialeah Gardens  
Hollywood  
Homestead  
Jacksonville  
Jacksonville Beach  
Key Largo  
Key West  
Keystone Heights  
Lake Butler  
Lake City  
Lake Park  
Lake Worth  
Lantana  
Lauderdale Lakes  
Lauderhill  
Magonia Park

Marathon  
Margate  
Maxville  
Melbourne  
Miami  
Miami Beach  
Miami Gardens  
Miami Lakes  
Miami Shores  
Micanopy  
Middleburg  
Mims  
Miramar  
Newberry  
North Lauderdale  
North Miami  
North Miami Beach  
Oakland Park  
Ocala  
Old Town  
Opa-Locka  
Orange Park  
Orlando  
Ormond Beach  
Pahokee  
Palatka  
Palm Bay  
Palm Beach Gardens  
Palm Coast  
Palm Springs  
Palmetto Bay  
Panama City Beach  
Pembroke Park  
Pembroke Pines  
Pensacola  
Plantation  
Pomona Park  
Pompano Beach  
Port Saint Lucie  
Riviera Beach  
Rock Harbor  
Saint Augustine  
South Bay  
South Miami  
Starke  
Stock Island  
Sunny Isles Beach  
Sunrise  
Tamarac  
Tavernier  
Titusville  
Trenton



Vero Beach  
West Miami  
West Palm Beach  
West Park  
Williston  
Wilton Manors  
Yulee  
Totals



EXHIBIT D(2)

VCI COMPANY CONFIDENTIAL RESPONSE TO POST-AUDIT QUESTION NO. 4(A)

(ATTACHED - UNDER SEAL)

REPORT

Exhibit RJC-15 (Page 16 of 16)

VCI COMPANY RESPONSE TO POST-AUDIT QUESTION NO. 4(A)



# EXHIBIT RJC-16

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) \_\_\_\_\_

Serving Area (2) \_\_\_\_\_

<p>(3)</p> <p>Company Name: _____</p> <p>Mailing Address: _____</p> <p>_____</p> <p>Contact Name: _____</p> <p>Telephone Number: _____</p> <p>Fax Number: _____</p> <p>E-mail Address: _____</p>	<p>(4)</p> <p>a) Submission Date _____</p> <p>b) Data Month _____</p> <p>c) Type of filing (Check one): Original <input type="checkbox"/> Revision <input type="checkbox"/></p> <p>d) State Reporting _____</p>
--	---

Lifeline	# Lifeline Subscribers (a)	x	Lifeline Support/ Subscriber (b)*	=	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	_____	x	\$ _____	=	\$ _____
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	_____	x	\$ _____	=	\$ _____
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	_____	x	\$ _____	=	\$ _____
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	_____	x	\$ _____	=	\$ _____

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)

NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claimed (Sum of lines 5c, 6c, 7c, 8c & 9) \$ \_\_\_\_\_ (10)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	_____	_____	
Charges waived per Connection (12)*	\$ _____ (\$30 max)	\$ _____ (\$100 max)	
Total Connection charges waived (13)	\$ _____	\$ _____	
Deferred Interest (14)	\$ _____	\$ _____	
Total Link Up dollars waived (15)	\$ _____ +	\$ _____ =	\$ _____ (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)	\$ _____	Total TLS dollars claimed	\$ _____ (18)
Incremental cost of providing TLS (16)	_____		
Number of subscribers for whom TLS initiated (17)	_____		

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)	\$ _____	Total PICC dollars waived	\$ _____ (21)
Monthly charge per line (19)	_____		
Number of Subscribers per month (20)	_____		

ETC Payment (22)			
Total Lifeline \$ _____	Total TLS \$ _____		
Total Link Up \$ _____	Total PICC \$ _____		
	<b>Total Dollars</b> \$ _____		

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is \_\_\_\_\_ is not \_\_\_\_\_ subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
OFFICER/EMPLOYEE SIGNATURE

\_\_\_\_\_  
OFFICER/EMPLOYEE TITLE

\_\_\_\_\_  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, D.C. 20554, Paperwork Reduction Project (3060-0819). We will also accept your comments on the burden estimate via the Internet if you send them to jboley@fcc.gov. Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

# EXHIBIT RJC-17

FCC 497 Instructions  
October 2000

Instructions For  
LIFELINE and LINK UP WORKSHEET

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

Pursuant to Section 54.405, all eligible telecommunications carriers (ETCs) are required to provide Lifeline service. In turn, these ETCs are permitted under Section 54.407 (Lifeline) or Section 54.413 (Link Up) to receive support for offering Lifeline service to qualifying low-income customers or reduced service-connection charges through Link Up. Pursuant to Section 54.403(c), carriers providing toll-limitation services (TLS) for qualifying low-income subscribers will be compensated from universal service mechanisms for the incremental cost of providing TLS. In addition, pursuant to Section 54.403(d), prior to July 1, 2000, the cost of the Presubscribed Carriers Charge (PCC) for Lifeline customers who elected toll blocking is also recoverable from the low-income program. FCC Form 497 is to be used to request reimbursement for participating in the low-income program.

- Line 1 USAC Service Provider Identification Number (SPIN) - Please enter your 9-digit USAC Service Provider Identification Number.
- Line 2 Serving Area - Indicate the 6-digit serving area for which you are claiming reimbursement.
- Box 3 Company Name, Mailing Address - Indicate your company name and mailing address.  
Contact Name, Telephone Number and Fax Number - Person who should be contacted in the event we have inquiries regarding your form.  
E-mail Address - Indicate e-mail address of contact person listed above.
- Box 4 a) Submission Date - The date that you are filling out this form.  
b) Data Month - The month for which you are reporting data. Please submit one worksheet per month, on a quarterly basis.  
c) Type of filing - Check "original" box if your company is reporting this data for the first time. If this is a revision to the data originally submitted, check the "revision" box. Revisions will not be accepted later than 12 months after the data month for which the revision applies. Report originals and revisions on separate forms. For revisions, all line items should be reported as positive numbers reflecting the actual amounts that should have been claimed for the month.  
d) State Reporting - Please indicate in what state you are reporting activity.

**Lifeline:**

Description: The federal Lifeline Program benefits eligible low-income subscribers by reducing their monthly local phone charge between \$3.50 and \$32.85 per month.

**Tier 1**

All eligible subscribers will receive a minimum of \$3.50 in federal support. Price cap companies are eligible to receive an additional \$0.85 in support for the period July 1, 2000 through June 30, 2001, if the additional amount is tariffed.

**Tier 2**

Another \$1.75 of federal support is available if the carrier certifies that it will pass through the full amount of Tier 2 support to its qualifying, low-income consumers and has received any non-federal regulatory approvals necessary to implement the required rate reduction.

**Tier 3**

Additional federal Lifeline support in an amount equal to one-half the amount of any state-mandated Lifeline support, or Lifeline support provided by the carrier, up to a maximum of \$1.75 per month, is also available, provided that the carrier has received any non-federal regulatory approvals and will pass through the full amount of Tier 3 support to its qualifying low-income consumers.

**Tier 4**

Additional federal Lifeline support of up to \$25 per month is available to eligible residents of tribal lands, as defined in 47 C.F.R. section 54.400(e), as long as that amount does not bring the basic local residential rate below \$1 per month per qualifying low income subscriber.

- Line 5(a) Provide the monthly number of low-income subscribers, for whom Tier 1 federal support is claimed.
- Line 5(b) Enter the rate of baseline federal support claimed per subscriber. Amount to be claimed is \$3.50 (\$4.35 for Price Cap companies) for the period July 1, 2000 through June 30, 2001.
- Line 5(c) Enter the total dollar amount of Tier 1 Lifeline support claimed. The amount will equal the product of line 5(a) and line 5(b). Amount should be reported in whole dollars.

Instructions For  
LIFELINE and LINK UP WORKSHEET

- Line 6(a) Provide the monthly count of low-income subscribers, for whom Tier 2 federal support is claimed.
- Line 6(b) Enter the additional rate per subscriber (\$1.75) for Tier 2 federal Lifeline support (if applicable).
- Line 6(c) Enter the total dollar amount of Tier 2 Lifeline support claimed. This amount is the product of line 6(a) and line 6(b). Amount should be reported in whole dollars.
- Line 7(a) Provide the monthly count of low-income subscribers, for whom Tier 3 federal Lifeline support is claimed.
- Line 7(b) Enter the rate per subscriber for Tier 3 federal Lifeline support claimed (if applicable). This amount should be between \$0 (no state support) and \$1.75 (maximum federal support allowed).
- Line 7(c) Enter the total dollar amount of Tier 3 Lifeline support claimed. This amount is the product of line 7(a) and line 7(b). Amount should be reported in whole dollars.
- Line 8(a) Provide the monthly count of low-income subscribers, for whom Tier 4 federal Lifeline support is claimed.
- Line 8(b) Enter the rate per subscriber for Tier 4 Lifeline support claimed. This can range from \$0 to a maximum of \$25.
- Line 8(c) Enter total dollar amount of Tier 4 Lifeline support claimed. The amount will equal the product of line 8(a) and line 8(b). Amount should be reported in whole dollars.
- Line 9 If claiming partial or pro-rata dollars, check the box on line 9. Enter the dollar amount (if applicable) for all partial or pro-rated subscribers. Amount should be reported in whole dollars, and may be either positive or negative, depending on whether there are more new subscribers being added part way through a month or more subscribers disconnecting during the reported month. DO NOT include partial or pro-rata amounts on lines 5 - 8.
- Line 10 Total Lifeline dollars claimed for the reported month. Should be equal to the sum of lines 5(c), 6(c), 7(c), 8(c) and 9 and reported in whole dollars.

**Link Up:**

Description: Link Up reduces eligible low-income subscribers' charges for starting telephone service by one-half of the telephone company's charge, or \$30.00, whichever is less, for subscribers residing on non-tribal lands. For subscribers residing on tribal lands, the reduction is up to \$100. Link Up also offers a deferred payment plan for charges assessed for starting service, for which eligible subscribers do not have to pay interest. Eligible subscribers are relieved of the requirement to pay interest charges of up to \$200 for a period not to exceed one year.

**(a) Non-Tribal Land Low-Income Subscribers Only**

- Line 11(a) Provide the monthly count of Link Up subscribers not residing on tribal lands for whom connection charges are waived.
- Line 12(a) Enter the dollar amount of reduction per subscriber. The reduction should be one-half of the service providers' charge or \$30.00, whichever is less. For multiple rates, use an averaged amount.
- Line 13(a) Enter the dollar amount of connection charges reduced (multiply Lines 11(a) and 12(a)).
- Line 14(a) Enter the dollar amount of deferred interest (if applicable).
- Line 15(a) Enter the dollar amount of total Link Up support (sum of Lines 13(a) and 14(a)). All amounts should be reported in whole dollars.

FCC 497 Instructions  
October 2000

Instructions For  
LIFELINE and LINK UP WORKSHEET

Approved by OMB  
3080-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

Link Up:

(b) Tribal Land Low-Income Subscribers Only

- Line 11(b) Enter monthly count of Link Up subscribers residing on tribal lands, designated as such by the Bureau of Indian Affairs, for whom charges are waived.
- Line 12(b) Enter the dollar amount of reduction per subscriber. This reduction should not exceed \$100 in total. In addition to the \$30.00 referenced in paragraph 12(a) above, an additional \$70.00 reduction is available to cover 100 per cent of the charges between \$60.00 and \$130.00 for commencing service at the principal place of residence of an eligible resident of tribal lands.
- Line 13(b) Enter the dollar amount of connection charges reduced (multiply Lines 11(b) and 12(b)).
- Line 14(b) Enter the dollar amount of deferred interest (if applicable).
- Line 15(b) Enter the dollar amount of total Link Up support (sum of Lines 13(b) and 14(b)). All amounts should be reported in whole dollars.

(c) Total Link Up (Shaded box)

- Line 15(c) Total Link Up dollars claimed for the reported month. Should be equal to the sum of lines 15(a) and 15(b) and reported in whole dollars.

Toll Limitation Services (TLS):

Description: TLS is a service that carriers must provide to eligible low-income subscribers in order to be eligible to receive universal service support. This service includes toll blocking, which allows subscribers to block outgoing toll calls, and also toll control, which allows subscribers to limit in advance their toll usage per month or billing cycle. Carriers are required to provide at least one type of toll-limitation service, unless their state commission provides them with additional time to complete the network upgrades needed to provide TLS.

- Line 16 Enter the dollar amount for the incremental cost of providing TLS. These costs include the costs that carriers otherwise would not incur if they did not provide toll-limitation service to a given customer. Carriers will be compensated for their costs in providing such service. Please note that the incremental cost of TLS does not include the full retail charge for TLS that the carrier would charge other consumers. In addition, Lifeline support in excess of the incremental cost of providing toll blocking will not be provided for switch upgrades.
- Line 17 Enter number of eligible subscribers for whom TLS was initiated. Must be equal to or less than either the number of Lifeline low income subscribers or Link Up low income subscribers.
- Line 18 Enter the dollar amount of total TLS dollars claimed (multiply Lines 16 and 17). All amounts should be reported in whole dollars.

Presubscribed Interexchange Carrier Charge (PICC):  
(Price cap companies only; effective prior to 7/1/2000)

Description: The flat, presubscribed interexchange carrier charge (PICC) will enable incumbent LECs to recover non-traffic sensitive common line costs not recovered through subscriber line charges (SLCs). The PICC for primary residential lines has been eliminated effective 7/1/2000 with the CALLS Order.

- Line 19 Enter prior period adjustments (prior to July 2000) for the monthly PICC charge per primary residential line, which should not exceed \$1.04 per month from July 1999 through June 2000. After that date, no dollars should be reported.
- Line 20 Enter the number of eligible low-income subscribers, who have toll-blocking, per month. Must be equal to or less than either the number of Lifeline or Link Up low income subscribers.
- Line 21 Enter the dollar amount of the total waived PICC claimed (multiply Lines 19 and 20). All amounts should be reported in whole dollars.

Instructions For  
LIFELINE and LINK UP WORKSHEET

Box 22 This is the Total Low-Income Support amount to be paid to Eligible Telecommunications Carriers for the reported month. Enter the dollar amounts from Lines 10 - total Lifeline, 15(c) - total Link Up, 18 - total TLS and 21 - total PICC. Enter the sum of these dollars on the line labelled Total Dollars. All amounts should be reported in whole dollars. USAC projects each month's payment prior to receiving actual data and, upon receipt of actual data submitted on FCC Form 497, trues up the total dollars.

Certifications and Signatures (Block 23)

Page 2 of FCC Form 497 requires the signature of an officer or employee of the company certifying that the following statements are correct (as applicable):

- 1) Certify that your company will publicize the availability of Lifeline and Link Up services in a manner reasonably designed to reach those likely to qualify for those services. See 47 C.F.R. Section 54.405(b).
- 2) Certify that your company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which they seek reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service. See 47 C.F.R. sections 54.403(a),(2), (3) and (4).
- 3) Certify that your company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s). See *Federal-State Joint Board on Universal Service: Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, FCC 00-208 (rel. June 30, 2000), at paras. 43 and 85 (*Tribal Order*).
- 4) Certify (check off only one) whether or not your company is subject to state regulation. See *Tribal Order* at paras. 85 and 89.
- 5) Certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

Completed worksheet and certification should be returned to the USAC Piscataway office listed below by the third Monday after the end of each quarter. (See schedule listed below). You should submit three separate worksheets per quarter, i.e., one worksheet for each month within the quarter.

Data Months	Due Dates of Forms Sent to USAC Piscataway Office
October	3rd Monday following
November	3rd Monday following
December	3rd Monday following



FCC 497 Instructions  
October 2000

Instructions For  
LIFELINE and LINK UP WORKSHEET

Approved by OMB  
3060-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

Forms can be faxed to the USAC Piscataway office at (866) 873(USF)-4665 Toll Free  
(Attention: Low Income Program) or mailed to:

USAC - Low Income Program  
444 Hoes Lane  
RR 4A1060  
Piscataway, NJ 08854

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

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If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

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# EXHIBIT RJC-18

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
FLORIDA

## GENERAL SUBSCRIBER SERVICE TARIFF

Twelfth Revised Page 121  
Cancels Eleventh Revised Page 121

ISSUED: September 16, 2005  
BY: Marshall M. Criser III, President -FL  
Miami, Florida

EFFECTIVE: November 5, 2005

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline****A3.31.1 Description of Service**

- A. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service to qualifying low income residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in FCC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Florida Public Service Commission and are as set forth in this tariff.
- B. Lifeline is supported by the federal universal service support mechanism.
- C. Federal baseline support of \$8.25, intrastate matching support of \$3.50 and a supplemental federal amount of \$1.75 (matching one-half of the intrastate support) is available for each Lifeline service and is passed through to the subscriber. The total Lifeline credit available to an eligible customer in Florida is \$13.50. The amount of credit will not exceed the charge for local service.

**A3.31.2 Regulations****A. General**

1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
2. One low income credit is available per household and is applicable to the primary residential connection only. The subscriber must be a current recipient of any of the low income assistance programs identified in B. following.
3. A Lifeline customer may subscribe to any local service offering available to other residence customers. Since the Lifeline credit is applicable to the primary residential connection only, it may not be applied to a multiple line package local service offering.
4. Toll blocking will be provided at no charge to the Lifeline subscriber.
5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
6. A Lifeline customer is exempt from the Installment Billing Service Fee in Section A4.
7. The Federal Universal Service Charge will not be billed to Lifeline customers.
8. A Lifeline subscriber's basic local service will not be disconnected for non-payment of regulated toll charges or ancillary services, but may be disconnected for non-payment of basic local service charges, taxes and fees. Access to toll service may be denied for non-payment of regulated tolls. Access to ancillary services may be denied for non-payment of basic or non-basic local charges. A Lifeline subscriber's request for reconnection of basic local service will not be denied if the service was previously denied for non-payment of toll or ancillary charges. Partial payments will first be applied to basic local service.
9. Lifeline eligible customers who have previously been disconnected for nonpayment of local charges may obtain local service equipped with toll blocking upon payment of outstanding debt for regulated non-toll charges, taxes and fees. Toll blocking shall not be removed prior to receipt of full payment of all outstanding toll charges.
10. The outstanding regulated non-toll balance may be paid in up to twelve installment payments with a minimum per month payment of \$5.00. This installment option is separate from any other installment arrangements (such as Installment Billing of non-recurring charges in Section A4). Should the customer default on this payment arrangement, service will be disconnected and the customer must pay the outstanding non-toll balance in full before local service will be re-established. Installment payments are not available on defaulted amounts previously installment billed.
11. Payment for other outstanding debt will be pursued in the same manner as for non-Lifeline customers.
12. The non-discounted federal Lifeline credit amount will be passed along to resellers ordering local service at the prescribed resale discount from this Tariff, for their eligible end users. Any additional credit to the end user will be the responsibility of the reseller. Eligible carriers, as defined by the FCC, are required to establish their own Lifeline programs.
13. Lifeline customers shall not be subject to any rate increase authorized by S.364.164 for four (4) years from the effective date of this tariff, or until the customer no longer qualifies for the Lifeline benefits established by this section or S.364.105, or unless otherwise determined by the commission upon petition by a LEC. (N)

BELLSOUTH  
TELECOMMUNICATIONS, INC.  
FLORIDA  
ISSUED: August 30, 2005  
BY: Marshall M. Criser III, President -FL  
Miami, Florida

## GENERAL SUBSCRIBER SERVICE TARIFF

Eighth Revised Page 121.1  
Cancels Seventh Revised Page 121.1

EFFECTIVE: September 14, 2005

**A3. BASIC LOCAL EXCHANGE SERVICE****A3.31 Lifeline (Cont'd)****A3.31.2 Regulations (Cont'd)****B. Eligibility**

1. To be eligible for a Lifeline credit, a customer must be a current recipient of any of the following low income assistance programs.
  - a. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - b. Supplemental Security Income (SSI)
  - c. Food Stamps
  - d. Medicaid
  - e. Federal public housing/Section 8
  - f. Low Income Home Energy Assistance Plan (LIHEAP)
  - g. National School Lunch's free lunch program (NSL)
2. Additionally, customers not receiving benefits under one of the preceding programs, and whose total gross annual income does not exceed *one hundred and thirty-five percent (135%)* of the federal poverty guidelines, meet the requirements of a State established means test and may apply directly to the Office of Public Counsel (OPC) for eligibility certification. (C)
3. All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

**C. Certification**

1. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company at the time of application for service; or eligible Lifeline subscribers may enroll in the Lifeline program by signing a document certifying under penalty of perjury that the customer participates in one of the Florida Lifeline eligible programs and identifying the qualifying program. The Lifeline credit will not be established until the Company has received such signed document. If the customer requests installation prior to the Company's receipt of such signed document the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. BellSouth working in conjunction with the appropriate state agencies will verify subscriber eligibility twice over a period of one year. Information obtained during such verification audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
3. When a customer is determined to be ineligible as a result of verification, the Company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued and at such time the customer will be transitioned to the Lifeline Transitional Discount (LTD), as set forth in A3.23 of this tariff.
4. Resellers providing Lifeline service from this tariff are responsible for determining proof of eligibility prior to requesting the service. As set forth in 47 C.F.R. § 417(a) and (b), a reseller must provide a certification, upon request, to BellSouth that it is complying with all FCC and applicable State requirements governing Lifeline/Link-Up programs, including certification and verification procedures. Resellers are required to retain the required documentation for three (3) years and be able to produce the documentation to the Commission or its Administrator to demonstrate that they are providing discounted services only to qualified low-income customers as outlined in B.1. and B.2. preceding. Disclosure requirements described in 2. preceding are applicable to resellers of Lifeline service.

BELLSOUTH  
 TELECOMMUNICATIONS, INC.  
 FLORIDA  
 ISSUED: June 1, 2005  
 BY: Marshall M. Criser III, President -FL  
 Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

Fourth Revised Page 121.1.1  
 Cancels Third Revised Page 121.1.1

EFFECTIVE: June 15, 2005

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.31 Lifeline (Cont'd)**

**A3.31.3 Rates and Charges**

**A. General**

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's bill for local service.
2. Service Charges in Section A4. are applicable for installing or changing Lifeline service.
3. Link-Up connection assistance in Section A4. may be available for installing or relocating Lifeline service.
4. The *Secondary Service Charge* in Section A4. is not applicable when existing service is converted intact to Lifeline service.

**B. The total Lifeline credit consists of one federal credit plus one Company credit.**

**1. Federal credit**

	Monthly Credit	
(a) Temporary Assistance to Needy Families (TANF)	\$10.00	USOC ASGFA
(b) Supplemental Security Income (SSI)	10.00	ASGFS
(c) Food Stamps	10.00	ASGFC
(d) Medicaid	10.00	ASGSI
(e) Federal public housing/Section 8	10.00	ASGFP
(f) Low Income Home Energy Assistance Plan (LIHEAP)	10.00	ASGFL
(g) State Means Test (OPC Certified)	10.00	ASGTC
(h) National School Lunch's free lunch program (NSL)	10.00	ASGFN (N)

**2. Company credit**

(a) All programs, one per Lifeline service	3.50	CRA
--	------	-----

**A3.31.4 Tribal Lifeline**

**A. Description of Service**

Qualified residents of federally recognized tribal lands may receive up to *thirty dollars (\$30.00)* per month in additional federal Lifeline support for their residential service. A *one dollar (\$1.00)* minimum charge is applicable for basic local service. (C)

**B. Regulations**

1. Tribal Lifeline support is in addition to traditional Lifeline support.
2. All Lifeline regulations are applicable to Tribal Lifeline.

**C. Eligibility**

To qualify, in addition to meeting the tribal land residency requirement, the customer may be a current recipient of any of the programs identified for Lifeline, or may be a recipient of one of the following federal programs:

1. BIA (Bureau of Indian Affairs) General Assistance
2. TANF tribally administered block grant program
3. Head Start Program (income eligible) (N)

**D. Rates and Charges** (T)

**1. General**

- a. The charge for basic local service will not be less than *one dollar (\$1.00)* per month. (T)
- b. The Tribal Lifeline credit is in addition to state and federal Lifeline credits preceding.

**EXHIBIT RJC-19**  
**REDACTED**

**CONFIDENTIAL EXHIBIT  
RJC-19**

# EXHIBIT RJC-20



RRR-24-2038 MOA 10:25 AM

P. C. 7

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3048-0819  
Avg. Burden Est. per Respondent: 3.8 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VGI Company</u>	a) Submission Date:	<u>February 24, 2008</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>February</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973-2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475-6328</u>		
E-mail Address:	<u>stan@vlgre.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support	(5) <u>4,898</u>	<u>\$ 6.50</u>	<u>\$ 31837</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6) <u>4,898</u>	<u>\$ 1.75</u>	<u>\$ 8572</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7) <u>4,898</u>	<u>\$ 1.75</u>	<u>\$ 8572</u>
Tier 4 Low-Income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 5c, 6c, 7c, 8c & 9) \$ 48,787 (10)

Link Up	Non-Trial (a)	Trial (b)	Total Link Up (c)
Number of Connections waived	(11) <u>7</u>	<u>0</u>	<u>7</u>
Charges waived per Connection	(12) <u>\$90.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) <u>\$210.00</u>	<u>\$ -</u>	
Deferred Interest	(14) <u>0</u>		
Total Link Up dollars waived	(15) <u>\$210.00</u>	<u>\$ -</u>	<u>\$ 210.00</u> (15)

Total Lifeline Services (TLS)	Incremental cost of providing TLS	Number of subscribers for whom TLS initiated	Total TLS dollars claimed
(16)	<u>\$1,001,501</u>	(17) <u>4,898</u>	<u>\$ 4,905,350</u> (18)

Presubscribed Interexchange Carrier Charge (PICC)	Monthly charge per line	Number of Subscribers per month	Total PICC dollars waived
(19)	<u>0</u>	(20) <u>0</u>	<u>\$ -</u> (21)

ETC Payment (22)	<u>48,787</u>	Total Lifeline \$ <u>36,938,000</u>	Total TLS \$ <u>4,905,350</u>
		Total Link Up \$ <u>\$210,000</u>	Total PICC \$ <u>0</u>
		Total Dollars <u>\$ 41,853,350</u>	

Date Received 3/24/08  
Entered Date 3/25/08  
Validation Date 3/25/08  
Manager Review Date 3-27-08

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**INCORRECT TOTAL**  
Rounding   
Other

10:25 AM

P. C 3

G 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3020-0810

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable Interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

3/24/08  
DATE

President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley John  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 254 and 254 of the Act, would thwart Congress' goal of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours per each respondent. Our estimate includes the time to read the form, review, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, ANO-PERS, Washington, D.C. 20554, Paperwork Reduction Project (3040-0010). We will also accept your comments on the burden estimate via the internet if you send them to [3040@fcc.gov](mailto:3040@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or regulatory body when (1) the FCC; or (2) any employee of the FCC; or (3) the United States Government is a party or a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The Reporting Burden is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 8 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3601, et seq.

FEB- 038 WED 07:34 AM

P. C. 7

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3050-0619  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>February 26, 2008</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>January</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2475</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stanj@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(5) <u>4,875</u>	x \$ <u>6.50</u>	= \$ <u>31687.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>4,875</u>	x \$ <u>1.75</u>	= \$ <u>8531</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>4,875</u>	x \$ <u>1.75</u>	= \$ <u>8531</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$: \$48,750.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>9</u>	<u>0</u>	<u>9</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$270.00</u>	<u>\$ -</u>	
Deferred interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$270.00</u>	<u>\$ -</u>	= \$ <u>\$270.00</u> (15)

Total Limitation Services (TLS)	Incremental cost of providing TLS (16)	Number of subscribers for whom TLS initiated (17)	Total TLS dollars claimed (18)
	<u>\$1.001938</u>	<u>4,875</u>	\$ <u>\$4,884.450</u>

Pre-Subscriber Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2006)	Monthly charge per line (19)	Number of Subscribers per month (20)	Total PICC dollars waived (21)
	<u>0</u>	<u>0</u>	\$ <u>0</u>

ETC Payment (22)	
Total Lifeline \$	<u>\$48,750.0000</u>
Total Link Up \$	<u>\$270.0000</u>
Total TLS \$	<u>\$4,884.4500</u>
Total PICC \$	<u>0</u>
Total Dollars \$:	<u>\$53,904.4500</u>

If you have any questions, please call USAC at (866) 873-(USF)-4727 Toll Free

Date Received 2/27/08  
Entered Date 2/27/08 Initials ek  
Validation Date 2/29/08 Initials ek  
Manager Review Date 2/27/08 Initials TY

FEB 28 2008 WED 07:34 AM

P. C. 3

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
5003-0613

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable IntraState Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

2/27/08  
DATE

  
OFFICER/EMPLOYEE SIGNATURE

President  
OFFICER/EMPLOYEE TITLE

Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 284 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 284 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate included the time to read this brief request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AND-PERM, Washington, D.C. 20554, Paperwork Reduction Project (2000-0818). We will also accept your comments on the burden estimate via the Internet if you send them to policy@fcc.gov. Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may deny processing of your worksheet or may return your worksheet without action.

The briefing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-502, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

JAN-23-2008 MCA 04:03 PM

P. 005/022

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Approved by OMB  
3090-0019  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>January 28, 2008</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>December</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 873 - 2478</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stanj@vialta.com</u>		

Lifeline	# Lifeline Subscriber (a)	Lifeline Support/ Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(5) <u>4,912</u>	x \$ <u>6.50</u>	= \$ <u>31928</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>4,912</u>	x \$ <u>1.75</u>	= \$ <u>8596</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>4,912</u>	x \$ <u>1.75</u>	= \$ <u>8596</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)

NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ 49,120.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived	(11) <u>13</u>	<u>0</u>	<u>13</u>
Charges waived per Connection	(12) * <u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) <u>\$390.00</u>	\$ <u>-</u>	
Deferred Interest	(14) <u>0</u>		
Total Link Up dollars waived	(15) <u>\$390.00</u>	\$ <u>-</u>	= \$ <u>390.00</u> (16)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS	(16) <u>\$1,002,778</u>	
Number of subscribers for whom TLS Initiated	(17) <u>4,912</u>	Total TLS dollars claimed \$ <u>54,925,650</u> (18)

Presubscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line	(18) <u>0</u>	
Number of Subscribers per month	(20) <u>0</u>	Total PICC dollars waived \$ <u>0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>49,120,000</u>
Total Link Up \$	<u>390,000</u>
Total TLS \$	<u>54,925,650</u>
Total PICC \$	<u>0</u>
<b>Total Dollars</b>	<b>\$ <u>104,435,650</u></b>

Date Received 1/28/08  
Entered Date \_\_\_\_\_  
Validation Date \_\_\_\_\_  
Manager Review Date \_\_\_\_\_

you have any questions, please call USAC at (866) 873(USAC)-4727 Toll Free

Initials \_\_\_\_\_  
Initials \_\_\_\_\_  
Initials \_\_\_\_\_

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3080-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (33)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

1/28/2008  
DATE  
President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has approved changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 224 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely manner.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and establish required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it imposes you, please write the Federal Communications Commission, AMD-PERNA, Washington, D.C. 20554, Paperwork Reduction Project (3080-0819). We will also accept your comments on the burden estimate via the Internet if you send them to jfoley@fcc.gov. Please DO NOT SEND the data responses to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

DEC-26-2007 WED 01:59 PM

P. 07

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Approved by OMB  
3080-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>December 26, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98488</u>	b) Data Month:	<u>November</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 873 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 6328</u>		
E-mail Address:	<u>stanj@vciinc.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<u>5,799</u>	<u>\$ 6.50</u>	<u>\$ 37693.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>5,799</u>	<u>\$ 1.75</u>	<u>\$ 10148</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>6,799</u>	<u>\$ 1.75</u>	<u>\$ 10148</u>
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 8.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 5a, 6a, 7a, 8a & 9) \$ 57,990.00 (10)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>489</u>	<u>0</u>	<u>489</u>
Charges waived per Connection (12)	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$14,670.00</u>	<u>\$</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$14,670.00</u>	<u>\$</u>	<u>\$14,670.00</u> (15)

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$1,088,541</u>	
Number of subscribers for whom TLS initiated (17)	<u>5,799</u>	<u>\$ 56,312,460</u> (18)

Pre-Subscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0.00</u> (21)

ETC Payment (22)	Total Lifeline \$ <u>\$67,990.0000</u>	Total TLS \$ <u>\$6,312,4600</u>
	Total Link Up \$ <u>\$14,670.0000</u>	Total PICC \$ <u>0</u>
	Total Dollars \$ <u>\$78,972,4600</u>	

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 12/27/07

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

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Approved by OMB 3000-0015 Avg. Burden Est per Respondent: 3.0 hrs.

OFFICE/EMPLOYEE NAME

FCC 487 October 2006

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Lifup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  to not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrators authority to request additional supporting information as may be necessary.

DATE 1/2/08

OFFICE/EMPLOYEE TITLE

OFFICE/EMPLOYEE SIGNATURE

OFFICE/EMPLOYEE NAME

NOTICE: To implement Section 204 of the Communications Act of 1994, as amended, the Federal Communications Commission has adopted changes to the federal low-income program. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Filing to correct the information, or collecting a new request, will prevent the Commission from implementing sections 214 and 214a of the Act, which would prevent the goal of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursement in a timely manner.

We have estimated that each response to the collection of information will take, on average, two hours for each respondent. Our estimate includes the time to read the data request, review existing forms, gather and prepare required data, and complete and review the request. If you have any comments on the estimate, or on how we can improve the collection and reduce the burden it could you please write the Federal Communications Commission, AND-FEDREG, Washington, D.C. 20564, Paperwork Reduction Project (0300-0110). We will also accept your comments on the burden estimate via the Internet if you send them to [paperwork@fcc.gov](mailto:paperwork@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not create or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your responses may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your responses may be disclosed to the Department of Justice or a court or regulatory body when (a) the FCC, or (b) any employee of the FCC, or (c) the United States Government is a party to a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on a timely basis, the FCC may delay processing of your request or may make your request without notice.

The following Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1994, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.



01-04-2000 03-13-04 11-04-03 11:01:03  
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P.008

FCC 497  
 October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
 3060-0810  
 Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143028763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>November 21, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>October</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973-2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475-8328</u>		
E-mail Address:	<u>stani@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>5,798</u>	<u>\$ 8.50</u>	<u>\$ 37687</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>5,798</u>	<u>\$ 1.75</u>	<u>\$ 10147</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>5,798</u>	<u>\$ 1.75</u>	<u>\$ 10147</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
 NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 5c, 6c, 7c, 8c & 9) \$ 57,981.00 (10)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>493</u>	<u>0</u>	<u>493</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$90 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$14,790.00</u>	<u>\$ -</u>	
Deferred interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$14,790.00</u>	<u>\$ -</u>	<u>\$ 14,790.00</u> (15c)

Toll-Free Number Service (TLS)	Incremental cost of providing TLS (16)	Number of subscribers for whom TLS initiated (17)	Total TLS dollars claimed (18)
	<u>\$1.089281</u>	<u>5,798</u>	<u>\$ 6,315.6500</u>

Pre-subscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)	Monthly charge per line (19)	Number of Subscribers per month (20)	Total PICC dollars waived (21)
	<u>0</u>	<u>0</u>	<u>\$ 0.00</u>

ETC Payment (22)

Total Lifeline \$	<u>\$57,980.0000</u>	Total TLS \$	<u>\$ 6,315.6500</u>
Total Link Up \$	<u>\$14,790.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$79,085.6500</u> 79087

If you have any questions, please call USAC at (800) 473-4737 Toll Free

(INCORRECT TOTAL)

Rounding   
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Received \_\_\_\_\_  
 Entered Date \_\_\_\_\_  
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 Manager Review Date \_\_\_\_\_

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FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3080-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

11/26/07  
DATE  
President  
OFFICER/EMPLOYEE TITLE

Stanley Johnson  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to contact the information, or contacting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each responder. Our estimate includes the time to read this data request, review existing records, gather and compile required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERUM, Washington, D.C. 20554, Paperwork Reduction Project (3080-0819). We will also accept your comments on the burden estimate via the Internet if you send them to [info@fcc.gov](mailto:info@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

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If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The Reporting Burden is required by the Privacy Act of 1974, Pub. L. No. 93-578, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

VCC 24-2007 9:05AM HP LASERJET FAX

P. 17

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by QMB  
3080-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>October 23, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>September</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2478</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 6328</u>		
E-mail Address:	<u>stanj@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(5) <u>5,688</u>	x \$ <u>6.50</u>	= \$ <u>36978.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>5,688</u>	x \$ <u>1.75</u>	= \$ <u>9958</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>5,689</u>	x \$ <u>1.75</u>	= \$ <u>9958</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 8.  \$ \_\_\_\_\_ (9)

NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

\* For multiple rates, use an average amount. Total federal Lifeline support claim \$ \$58,200.00 (10)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived	(11) <u>487</u>	<u>0</u>	<u>487</u>
Charges waived per Connection	(12)* <u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) <u>\$14,610.00</u>	\$ <u>-</u>	
Deferred Interest:	(14) <u>0</u>		
Total Link Up dollars waived	(15) <u>\$14,610.00</u>	\$ <u>-</u>	= \$ <u>\$14,610.00</u> (15c)

Incremental cost of providing TLS	(16) <u>\$1.089884</u>		
Number of subscribers for whom TLS initiated	(17) <u>5,688</u>	Total TLS dollars claimed	\$ <u>\$6,200.580</u> (18)

Monthly charge per line	(19) <u>0</u>		
Number of Subscribers per month	(20) <u>0</u>	Total PICC dollars waived	\$ <u>0</u> (21)

Total Lifeline \$	<u>\$58,200.0000</u>	Total TLS \$	<u>\$6,200.3500</u>
Total Link Up \$	<u>\$14,610.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars	\$ <u>\$77,700.3500</u>

Received Date 10/24/07  
 Preparation Date 10/24/07  
 Manager Review Date 10/24/07

Initials [Signature]  
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INCORRECT TOTAL  
 Accounting   
 Other \_\_\_\_\_

FCC 497  
October 2006

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3085-0618

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).


I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

10/24/07  
DATE

President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE  
Stanley  
OFFICER/EMPLOYEE NAME

NOTICE: To implement section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERL, Washington, D.C. 20554, Paperwork Reduction Project (3085-0618). We will also accept your comments on the burden estimate via the Internet if you send them to [jpcw@fcc.gov](mailto:jpcw@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1976, Pub. L. No. 94-570, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

FCC 497  
October 2009

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>September 21, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>August</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stanj@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<u>5,487</u>	<u>\$ 6.50</u>	<u>\$ 35665.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>5,487</u>	<u>\$ 1.75</u>	<u>\$ 9602</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>5,487</u>	<u>\$ 1.75</u>	<u>\$ 9602</u>
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$54,970.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>485</u>	<u>0</u>	<u>485</u>
Charges waived per Connection (12) *	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$14,550.00</u>	<u>\$ -</u>	
Deferred interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$14,550.00</u>	<u>\$ -</u>	<u>\$ 14,550.00</u> (15)

Total-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$1.092810</u>	
Number of subscribers for whom TLS initiated (17)	<u>5,487</u>	<u>\$ 5,996,260</u> (18)

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)	
Total Lifeline \$ <u>\$54,970.0000</u>	Total TLS \$ <u>\$5,996,260</u>
Total Link Up \$ <u>\$14,550.0000</u>	Total PICC \$ <u>0</u>
Total Dollars \$ <u>\$75,416,260</u>	

Received Date: 9/24/07  
 Validation Date: 9/24/07  
 Manager Review Date: 9/25/07

Initials: rcj  
 Initials: WJ  
 Initials: das

If you have any questions, please call USAC at (888) 673(USF)-4727 Toll Free

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3080-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

9/24/07  
DATE

*[Signature]*  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

President  
OFFICER/EMPLOYEE TITLE

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERMA, Washington, D.C. 20544, Paperwork Reduction Project (3090-0618). We will also accept your comments on the burden estimate via the Internet if you send them to [foley@fcc.gov](mailto:foley@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or files an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

FCC 497  
 October 2000  
**LIFELINE AND LINK UP WORKSHEET**  
 Approved by OMB  
 3080-0819  
 Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219008

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>August 20, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Date Month:	<u>July</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 873 - 2475</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stan@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>5,786</u>	<u>\$ 6.50</u>	<u>\$ 37809</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>5,786</u>	<u>\$ 1.75</u>	<u>\$ 10126</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>5,786</u>	<u>\$ 1.75</u>	<u>\$ 10126</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
 NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 5c, 6c, 7c, 8c & 9) \$ 58,061.00 (10)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>574</u>	<u>0</u>	<u>574</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$17,220.00</u>	<u>\$ -</u>	
Deferred interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$17,220.00</u>	<u>\$ -</u>	<u>\$17,220.00</u> (15c)

\* For multiple rates, use an average amount

Total Lifeline Services (TLS)	Incremental cost of providing TLS (18)	Number of subscribers for whom TLS initiated (17)	Total TLS dollars claimed (18)
	<u>\$1,104,165</u>	<u>5,786</u>	<u>\$ 6,368,700</u>

Pre-Subscribered Interchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)	Monthly charge per line (19)	Number of Subscribers per month (20)	Total PICC dollars waived (21)
	<u>0</u>	<u>0</u>	<u>\$ 0</u>

ETC Payment (22)	
Total Lifeline \$	<u>58,061.00</u>
Total Link Up \$	<u>17,220.00</u>
Total TLS \$	<u>6,368,700</u>
Total PICC \$	<u>0</u>
<b>Total Dollars</b>	<b><u>\$ 6,443,981.00</u></b>

Received Date 8/24/07 Initials DC  
 Filing Date 8/27/07 Initials DC  
 Manager Review Date 8-28-07 Initials DC

If you have any questions, please call USAC at (888) 873-(USA)-4777 Toll Free

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P-18

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3040-0819

Avg. Burden Est. per Respondent: 3.9 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for these services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

9/23/07  
DATE

President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley [Signature]  
OFFICER/EMPLOYEE NAME

NOTICE: To implement section 204 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 204 of the Act, which fulfill Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that when response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMO-PERMI, Washington, D.C. 20554, Paperwork Reduction Project (3080-0219). We will also accept your comments on the burden estimate via the Internet if you send them to [jolley@fcc.gov](mailto:jolley@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The Reporting Burden is reduced by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.



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P. 17

FCC 497  
October 2005

LIFELINE AND LINK UP WORKSHEET

Approved by OMS  
3080-0819  
Avg. Burden Est. per Respondent: 3.8 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date	<u>July 12, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98468</u>	b) Data Month	<u>June</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 873 - 2478</u>	d) State Reporting	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stanj@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<u>8,145</u>	<u>\$ 8.50</u>	<u>\$ 39842.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>8,145</u>	<u>\$ 1.75</u>	<u>\$ 10754</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>8,145</u>	<u>\$ 1.75</u>	<u>\$ 10754</u>
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if percents or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include percents or pro rata amounts on lines 5 - 8 above)

\* For multiple rates, use an average amount. Total federal Lifeline support claim (Sum of lines 5c, 6c, 7c, 8c & 9) \$ 61,451 (10)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>851</u>	<u>0</u>	<u>851</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$28,530.00</u>	<u>\$</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$28,530.00</u>	<u>\$</u>	<u>\$ 28,530.00</u> (15c)

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$1,182,498</u>	
Number of subscribers for whom TLS initiated (17)	<u>8,145</u>	<u>\$ 7,143,666</u> (18)

Pre-subscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)		Total Dollars
Total Lifeline \$	<u>\$61,451.00</u>	
Total Link Up \$	<u>\$28,530.00</u>	
Total TLS \$	<u>\$7,143,666</u>	
Total PICC \$	<u>0</u>	
Total Dollars	<u>\$ 7,233,657</u>	

Received Date 7/11/07 Initials EP  
Validation Date 7/18/07 Initials EP  
Quarter Review Date 7/31/07 Initials JVS

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Approved by OMB  
3005-0119  
Avg. Burden Est. per Respondent 3.0 hrs.

LINE AND LINK UP WORKSHEET

CERTIFICATIONS AND SIGNATURES (2)

FCC 497  
October 2000

I certify that my company will publicize the availability of Line and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.  
I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company makes reimbursement, as well as all applicable interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reductions.

I certify that my company is  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

DATE: 7/10/02  
OFFICER/EMPLOYEE TITLE: R. S. ...  
OFFICER/EMPLOYEE SIGNATURE: [Signature]  
OFFICER/EMPLOYEE NAME: [Name]

NOTICE: To implement Section 254 of the Communications Act of 1994, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be monitored by the Universal Service Administrative Company (USAC) for their participation in these programs. Failure to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, which direct Congress to provide additional support and access to advanced services throughout the nation, and would result in additional support for carriers not receiving universal service support.

We have estimated that each response to this collection of information will take, on average, five minutes for each respondent. Our estimate includes the time to read the request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on the estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AND-PCRM, Washington, D.C. 20584, Federal Register Project (3000-0101). We will accept your comments on the burden estimate via the Internet if you send them to [icdms@fcc.gov](mailto:icdms@fcc.gov). Please DO NOT SEND the data requested to the e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe that it may be a violation of a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be referred to the Department of Justice or a court or administrative body when (a) the FCC, or (b) any employee of the FCC, or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on this form, the FCC may delay processing of your worksheet or may reject your worksheet without action.

The marking scheme is required by the Privacy Act of 1974, Pub. L. No. 93-502, December 31, 1974, 9 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3040-0418  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143028763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>June 14, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98486</u>	b) Data Month:	<u>May</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 878 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stan@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>6,895</u>	<u>\$ 6.50</u>	<u>\$ 44817.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>6,895</u>	<u>\$ 1.75</u>	<u>\$ 12066</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>6,895</u>	<u>\$ 1.75</u>	<u>\$ 12066</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 5c, 6c, 7c, 8c & 9) \$ 68,950.00 (10)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>1095</u>	<u>0</u>	<u>1095</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$32,850.00</u>	<u>\$ -</u>	
Deferred Interest: (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$32,850.00</u>	<u>\$ -</u>	<u>\$ 32,850.00</u> (16)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$4,368,223</u>	
Number of subscribers for whom TLS initiated (17)	<u>6,895</u>	<u>\$ 30,118,901</u> (18)

Pre-Subscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

<b>ETC Payment (22)</b>	
Total Lifeline \$ <u>68,950.0000</u>	Total TLS \$ <u>30,118,9010</u>
Total Link Up \$ <u>32,850.0000</u>	Total PICC \$ <u>0</u>
Total Dollars \$ <u>311,918,9010</u>	

Date Received 7/30/07  
Entered Date 7/31/07  
Validation Date 7/31/07  
Manager Review Date 7/31/07

Initials ER  
Initials SP  
Initials PL

If you have any questions, please call USAC at (866) 873/USF-4727 Toll Free

01-04-2008 08:16:25 AM HP LASERJET FAX

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by GMB  
2000-0819

Arg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

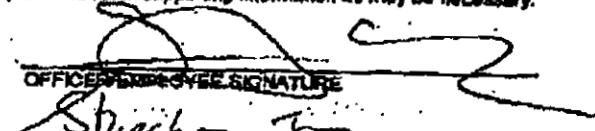
I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

7/30/07  
DATE

  
OFFICER/EMPLOYEE SIGNATURE  
Shirley  
OFFICER/EMPLOYEE NAME

President  
OFFICER/EMPLOYEE TITLE

NOTICE: To implement Section 234 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 216 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursement in a timely manner.

We have estimated that each response to the collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read the data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, A&E-P&RM, Washington, D.C. 20554, Paperwork Reduction Project (3000-0819). We will also accept your comments on the burden estimate via the Internet if you send them to [policy@fcc.gov](mailto:policy@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 9 U.S.C. Section 502, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3040-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>June 16, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>April</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	Original <input type="checkbox"/> <u>Revision</u> <input checked="" type="checkbox"/>
Telephone Number:	<u>(253) 973 - 2478</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 6328</u>		
E-mail Address:	<u>stank@vilaina.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>5,882</u>	<u>\$ 6.50</u>	<u>\$ 36933</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>5,882</u>	<u>\$ 1.75</u>	<u>\$ 9944</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>5,882</u>	<u>\$ 1.75</u>	<u>\$ 9944</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$66,820.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>978</u>	<u>0</u>	<u>978</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$29,340.00</u>	<u>\$</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$29,340.00</u>	<u>\$</u>	<u>\$ 29,340.00</u> (15c)

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$4.472282</u>	
Number of subscribers for whom TLS initiated (17)	<u>5,882</u>	<u>\$ 26,411.5036</u> (18)

Pre-subscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>\$55,820.0000</u>
Total Link Up \$	<u>\$29,340.0000</u>
Total TLS \$	<u>\$ 26,411.5036</u>
Total PICC \$	<u>0</u>
Total Dollars \$	<u>\$111,571.5036</u>

If you have any questions, please call USAC at (846) 873(USF)-4727 Toll Free

Date Received 6-15-07  
Entered Date 6-18-07 Initials des  
Validation Date 6-18-07 Initials des  
Monitor Review Date 6/21/07 Initials ZR

INCORRECT TOTAL

Rounding   
Other

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
1060-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s)


I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

6/15/07  
DATE

President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE

Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

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If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-578, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3080-0619  
Avg. Burden Est. per Respondent: 3.6 Hrs.

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>June 18, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>March</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	Original <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stank@vciwa.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>6,845</u>	<u>\$ 6.50</u>	<u>\$ 44492.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>6,845</u>	<u>\$ 1.75</u>	<u>\$ 11979</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>6,845</u>	<u>\$ 1.75</u>	<u>\$ 11979</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ 68,450.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>1045</u>	<u>0</u>	<u>1045</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$31,350.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$31,350.00</u>	<u>\$ -</u>	<u>\$ 31,350.00</u> (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$4.320192</u>	
Number of subscribers for whom TLS initiated (17)	<u>6,845</u>	<u>\$ 29,571.711</u> (18)

Pre-subscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>68,450.0000</u>
Total Link Up \$	<u>31,350.0000</u>
Total TLS \$	<u>29,571.7110</u>
Total PICC \$	<u>0</u>
<b>Total Dollars \$</b>	<b><u>129,371.7110</u></b>

Date Received 6-15-07  
Entered Date 6-15-07  
Validation Date 6-15-07  
Manager Review Date 6/21/07

*If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free*  
Initials OK  
Initials clm  
Initials ER

**INCORRECT TOTAL**  
Rounding   
Other

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3040-0810

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

11/15/02  
DATE  
President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

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FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3080-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026753 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date	<u>June 15, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month	<u>February</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	Original <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Telephone Number:	<u>(263) 973 - 2478</u>	d) State Reporting	<u>Florida</u>
Fax Number:	<u>(263) 475 - 6328</u>		
E-mail Address:	<u>stancj@vialaire.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>6,857</u>	<u>\$ 6.50</u>	<u>\$ 44570.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>6,857</u>	<u>\$ 1.75</u>	<u>\$ 12000</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>6,857</u>	<u>\$ 1.75</u>	<u>\$ 12000</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ ~~688,570.00~~ 47,571 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>785</u>	<u>0</u>	<u>785</u>
Charges waived per Connection (12)	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$23,550.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$23,550.00</u>	<u>\$ -</u>	<u>\$ 23,550.00</u> (15c)

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$4.021702</u>	
Number of subscribers for whom TLS initiated (17)	<u>6,857</u>	<u>\$ 27,576.8126</u> (18)

Presubscribed Intraexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>688,570.0000</u>
Total Link Up \$	<u>23,550.0000</u>
Total TLS \$	<u>27,576.8126</u>
Total PICC \$	<u>0</u>
<b>Total Dollars \$</b>	<b><u>\$419,696.8126</u></b>

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Date Received 6-15-07  
Entered Date 6-15-07  
Validation Date 6-15-07  
Manager Review Date 6-19-07

Initials den  
Initials RL  
Initials CR

**INCORRECT TOTAL**  
Rounding   
Other \_\_\_\_\_

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3065-0419

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

6/15/07  
DATE

President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, D.C. 20554, Paperwork Reduction Project (3080-0818). We will also accept your comments on the burden estimate via the Internet if you send them to [poley@fcc.gov](mailto:poley@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

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FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3069-0619  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>June 15, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>January</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	Original <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stank@vialtra.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>4,852</u>	x \$ <u>6.50</u>	= \$ <u>31538</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>4,852</u>	x \$ <u>1.75</u>	= \$ <u>8491</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>4,852</u>	x \$ <u>1.75</u>	= \$ <u>8491</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ 48,520.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>1052</u>	<u>0</u>	<u>1052</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$31,560.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$31,560.00</u>	<u>\$ -</u>	= \$ <u>31,560.00</u> (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$4.821665</u>	
Number of subscribers for whom TLS initiated (17)	<u>4,852</u>	\$ <u>23,394.7176</u> (18)

Pre-subscribed Intraexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	\$ <u>0</u> (21)

ETC Payment (22)			
Total Lifeline \$	<u>148,520.0000</u>	Total TLS \$	<u>23,394.7176</u>
Total Link Up \$	<u>31,560.0000</u>	Total PICC \$	<u>0</u>
Total Dollars \$ <u>103,474.7176</u>			

Date Received  
Entered Date  
Validation Date  
Manager Review Date

6-15-07  
If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

6-15-07 Initials das  
6-15-07 Initials das  
6-21-02 Initials ZR

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0818

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephony service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

6/15/07  
DATE  
President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

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The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

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JAN-30-2007 TUE 12:27 PM

P. 01

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3040-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>January 15, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>December</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 8328</u>		
E-mail Address:	<u>stanj@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(6) <u>4,623</u>	x \$ <u>6.50</u>	= \$ <u>30049.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>4,623</u>	x \$ <u>1.75</u>	= \$ <u>8090</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>4,623</u>	x \$ <u>1.75</u>	= \$ <u>8090</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$46,230.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived	(11) <u>1188</u>	<u>0</u>	<u>1188</u>
Charges waived per Connection	(12)* <u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) <u>\$35,940.00</u>	<u>\$ -</u>	
Deferred interest	(14) <u>0</u>		
Total Link Up dollars waived	(16) <u>\$35,940.00</u>	<u>\$ -</u>	= \$ <u>\$35,940.00</u> (15)

Toil-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS	(15) <u>\$5.152490</u>	
Number of subscribers for whom TLS initiated	(17) <u>4,623</u>	\$ <u>\$23,819.952</u> (16)

Presubscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line	(18) <u>0</u>	
Number of Subscribers per month	(20) <u>0</u>	\$ <u>0</u> (21)

ETC Payment (22)	Total Dollars
Total Lifeline \$ <u>\$46,230.0000</u>	Total TLS \$ <u>\$23,819.9524</u>
Total Link Up \$ <u>\$35,940.0000</u>	Total PICC \$ <u>0</u>
	Total Dollars \$ <u>\$105,989.9524</u>

If you have any questions, please call USAC at (888) 873(USF)-4727 Toll Free

Received Date 1/16/07 Initials ZB  
 Received Date 01-16-07 Initials ZB  
 Received Date 1/16/07 Initials ZB  
 Received Date 1/16/07 Initials ZB

JAN-30-2007 TUE 12:29 PM

P. 024

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3669-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.


I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

1/16/07  
DATE  
President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 254 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each step in this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMO-PEBA, Washington, D.C. 20544, Paperwork Reduction Project (2000-0810). We will also accept your comments on the burden estimate via the Internet if you send them to [jselby@fcc.gov](mailto:jselby@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC or (b) any employee of the FCC, or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3501, et seq.

DEC-22-2006 FRI 01:03 PM

P. 021

FCC 497  
October 2009

**LIFELINE AND LINK UP WORKSHEET**

Approved by OMB  
3060-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>December 22, 2006</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98488</u>	b) Data Month:	<u>November</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stankov@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<u>1,875</u>	<u>\$ 8.50</u>	<u>\$ 12197.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>1,875</u>	<u>\$ 1.75</u>	<u>\$ 3281</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>1,875</u>	<u>\$ 1.75</u>	<u>\$ 3281</u>
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$18,780.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

\*For multiple rates, use an average amount

Link Up	Non-Trial (a)	Trial (b)	Total Link Up (c)
Number of Connections waived (11)	<u>1220</u>	<u>0</u>	<u>1220</u>
Charges waived per Connection (12) *	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$36,600.00</u>	<u>\$ -</u>	
Deferred interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$36,600.00</u>	<u>\$ -</u>	<u>\$ 36,600.00</u> (15c)

\*For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS (16)	<u>\$8,213,061</u>	
Number of subscribers for whom TLS Initiated (17)	<u>1,875</u>	<u>\$ 15,399,490</u> (18)

Pre-Subscription Interchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)		Total PICC dollars waived
Monthly charge per line (19)	<u>0</u>	
Number of Subscribers per month (20)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22)		Total Dollars
Total Lifeline \$	<u>\$18,780.0000</u>	<u>\$ 15,399,4900</u>
Total Link Up \$	<u>\$36,600.0000</u>	<u>0</u>
		<u>\$ 570,749,4900</u>

Date Received 12/22/06  
Entered Date 12/19/06 Initials CO  
Validation Date 12/19/06 Initials CO  
Manager Review Date 12/20/06 Initials JG

If you have any questions, please call USAC at (886) 373/(USF)-4727 Toll Free

DEC-22-2006 FRI 01:03 PM

P. 022

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3000-0019

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

11/22/06  
DATE  
President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley J. [Name]  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to its federal low-income programs. The Commission has expanded the availability of those programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the responses. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it imposes on you, please write the Federal Communications Commission, AHD-PERM, Washington, D.C. 20544, Paperwork Reduction Project (3046-0019). We will take account of your comments on the burden estimate via the internet if you send them to [fbely@fcc.gov](mailto:fbely@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on this form, the FCC may delay processing of your worksheet or may refuse your worksheet without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3507, et seq.



NOV-27-2006 MON 01:11 PM

FCC 487  
October 2006

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3000-0019

Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>November 27, 2006</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Date Month:	<u>October</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stan@vci.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>1,052</u>	<u>\$ 5.50</u>	<u>\$ 5,786</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>1,052</u>	<u>\$ 1.75</u>	<u>\$ 1,841</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>1,052</u>	<u>\$ 1.75</u>	<u>\$ 1,841</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rate amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rate amounts on lines 5 - 8 above).

Total federal Lifeline support claim \$ \$10,520,000 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>233</u>	<u>0</u>	<u>233</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$6,990.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$6,990.00</u>	<u>\$ -</u>	<u>\$ 6,990,000</u>

Total Limitation Services (TLS)	Incremental cost of providing TLS (16)	Number of subscribers for whom TLS initiated (17)	Total TLS dollars claimed (18)
	<u>\$4,858,132</u>	<u>1,052</u>	<u>\$ 5,110,754</u>

Pre-Subscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)	Monthly charge per line (19)	Number of Subscribers per month (20)	Total PICC dollars waived (21)
	<u>0</u>	<u>0</u>	<u>\$ 0</u>

ETC Payment (22)	
Total Lifeline \$	<u>\$10,520,000</u>
Total Link Up \$	<u>\$6,990,000</u>
Total TLS \$	<u>\$5,110,754</u>
Total PICC \$	<u>0</u>
<b>Total Dollars</b>	<b><u>\$ 22,620,754</u></b>

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Date Received  
Entered Date  
Validation Date  
Manager Review Date  
I.A.D.

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2038 MON 01:11 PM

P. 022

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).


I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

11/27/06  
DATE

President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1994, as amended, the Federal Communications Commission has adopted changes to the federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for assistance to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 254 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, D.C. 20554, Paperwork Reduction Project (0300-0819). We will also accept your comments on the burden estimate via the Internet if you send them to [policy@fcc.gov](mailto:policy@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on this form, the FCC may delay processing of your worksheet or may return your worksheet unopened.

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01-31-2006 FRI 01:08 PM

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Approved by DMB  
3060-0419  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>October 20, 2008</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98488</u>	b) Data Month:	<u>September</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 6328</u>		
E-mail Address:	<u>stan@vciwa.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(5) <u>520</u>	x \$ <u>6.50</u>	= \$ <u>3380</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>520</u>	x \$ <u>1.75</u>	= \$ <u>910</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>520</u>	x \$ <u>1.75</u>	= \$ <u>910</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)  
NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$5,208,000 (10)  
(Sum of lines 5a, 6a, 7a, 8a & 9)

Link Up	Non-Tribal (a)	Total (b)	Total Link Up (c)
Number of Connections waived	(11) <u>325</u>	<u>0</u>	<u>325</u>
Charges waived per Connection	(12) * <u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) <u>\$9,750.00</u>	\$ <u>-</u>	
Deferred Interest	(14) <u>0</u>		
Total Link Up dollars waived	(15) <u>\$9,750.00</u>	\$ <u>-</u>	= \$ <u>\$9,750.0000</u> (15c)

Off-Limitation Services (TLS)	(16)	Total TLS dollars claimed	(18)
Incremental cost of providing TLS	<u>\$8.012425</u>		
Number of subscribers for whom TLS initiated	(17) <u>520</u>	\$ <u>\$4,166.4610</u>	(18)

Pre-Subscribed Interexchange Carrier Charge (PICC)	(19)	Total PICC dollars waived	(21)
Monthly charge per line	<u>0</u>		
Number of Subscribers per month	(20) <u>0</u>	\$ <u>0</u>	(21)

ETC Payment (22)			
Total Lifeline \$	<u>\$5,208,000</u>	Total TLS \$	<u>\$4,166.4610</u>
Total Link Up \$	<u>\$9,750.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$19,116.4610</u>

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Date Received 10/20/08 Initials ZR  
 Entered Date 10/23/08 Initials ZR  
 Validation Date 10/23/08 Initials ZR  
 Manager Review Date 10/24/08 Initials CD

1-2006 FRI 1:08 PM

P. 224

Approved by OMB 1000-0010  
October 2006  
FCC 497  
UPLINE AND LINK UP WORKSHEET  
Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable interstate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one).

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

DATE  
10/24/06

OFFICER/EMPLOYEE TITLE  
P. S. Stewart

OFFICER/EMPLOYEE SIGNATURE

OFFICER/EMPLOYEE NAME  
P. S. Stewart

NOTICE: The Telecommunications Act of 1996, as amended, the Federal Communications Commission has adopted changes to the federal low-income program. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income consumers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Filing to collect the information, or collecting less than required, would prevent the Commission from implementing sections 214 and 254 of the Act, which would prevent Congress from providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have submitted this form to the collector of information, and we request that you return the form to the collector of information, and we request that you return the form to the collector of information. Our submission includes the three to read the data request. Review and make any corrections and return the responses. If you have any comments on the details, or on how we can improve the form, please write the Federal Communications Commission, AAD-PD/ML, Washington, D.C. 20544, Paperwork Reduction Project (0000-0010). We will also accept your comments on the burden estimate via the Internet if you send them to [beta@fcc.gov](mailto:beta@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to conduct the information we request in this form. If the Bureau were to be a violator or a potential violator of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheet may be disclosed to the Department of Justice or a court or a judicially created body within the FCC, or (b) any employees of the FCC, or (c) the United States Government in a party of a proceeding before the body or any an officer in the proceeding.

If you do not provide the information we request on this form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The following notice is required by the Privacy Act of 1974, Pub. L. No. 93-502, December 31, 1974, § 142; 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-19, 44 U.S.C. Section 3501, et seq.

SEP-22-2006 FRI 11:15 AM

P. 001

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>September 22, 2006</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, WA 98498</u>	b) Date Month:	<u>August</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 873 - 2478</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 476 - 6328</u>		
E-mail Address:	<u>stanj@vciwa.com</u>		

Lifeline	# Lifeline Subscribers (a)		Lifeline Support (b)		Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(5) <u>215</u>	x	\$ <u>6.50</u>	=	\$ <u>1397.6</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>215</u>	x	\$ <u>1.75</u>	=	\$ <u>376</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>215</u>	x	\$ <u>1.75</u>	=	\$ <u>376</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x	\$ <u>25.00</u>	=	\$ <u>0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)

NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$2,150,000 (10)

(Sum of lines 5c, 6c, 7c, 8c & 9)

\* For multiple rates, use an average amount

Link Up	Non-Tribal (a)		Tribal (b)		Total Link Up (c)
Number of Connections waived	(11) <u>62</u>		<u>0</u>		<u>62</u>
Charges waived per Connection	(12) <u>\$30.00</u>	(\$30 max)	<u>100</u>	(\$100 max)	
Total Connection charges waived	(13) <u>\$1,860.00</u>		\$ <u>-</u>		
Deferred Interest	(14) <u>0</u>				
Total Link Up dollars waived	(15) <u>\$1,860.00</u>		\$ <u>-</u>	=	\$ <u>\$1,860.0000</u> (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS	(16) <u>\$5.381005</u>	
Number of subscribers for whom TLS initiated	(17) <u>215</u>	\$ <u>\$1,166.9160</u> (18)

Pre-Subscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line	(19) <u>0</u>	
Number of Subscribers per month	(20) <u>0</u>	\$ <u>0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>\$2,150,0000</u>
Total Link Up \$	<u>\$1,860,0000</u>
Total TLS \$	<u>\$1,166.9160</u>
Total PICC \$	<u>0</u>
<b>Total Dollars</b>	<b>\$ <u>\$5,166.9160</u></b>

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Date Received 9/22/06  
 Entered Date 9/25/06 Initials CO  
 Validation Date 9/25/06 Initials CO  
 ✓ Manager Review Date 9-26-06 Initials lan

22-2006 FRI 11:15 AM

P. 002

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable In-State Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.


I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

10/22/06  
DATE  
President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE  
Stanley John Seal  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 204 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income program. The Commission has expanded the availability of these programs and the level of funding for state calls to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 204 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AND-PPRM, Washington, D.C. 20554, Paperwork Reduction Project (3060-0819). We will also accept your comments on the burden estimate via the internet if you send them to [fbolty@fcc.gov](mailto:fbolty@fcc.gov). Please DO NOT SEND the data requested to this e-mail address.

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The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your worksheet may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your worksheets may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

If you do not provide the information we request on the form, the FCC may delay processing of your worksheet or may return your worksheet without action.

The foregoing notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. Section 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. Section 3601, et seq.

P. 001

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Approved by OMB  
3080-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>August 16, 2006</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98468</u>	b) Date Month:	<u>July</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of Filing (Check one):	Original <input type="checkbox"/> <u>Revision</u> <input checked="" type="checkbox"/>
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 478 - 6228</u>		
E-mail Address:	<u>stanj@vciwa.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support (5)	<u>185</u>	<u>\$ 8.50</u>	<u>\$ 1072.5</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support (6)	<u>185</u>	<u>\$ 1.75</u>	<u>\$ 289</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support (7)	<u>185</u>	<u>\$ 1.75</u>	<u>\$ 289</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support (8)	<u>0</u>	<u>\$ 25.00</u>	<u>\$ 0</u>

Check box to the right if partials or pro rata amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ \_\_\_\_\_ (9)

NOTE: (Do not include partials or pro rata amounts on lines 5 - 8 above)

Total federal Lifeline support claim \$ \$1,650,000 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived (11)	<u>103</u>	<u>0</u>	<u>103</u>
Charges waived per Connection (12)*	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$3,090.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$3,090.00</u>	<u>\$ -</u>	<u>\$ 3,090.0000</u> (15)

Toll-Limitation Services (TLS)	Number of subscribers for whom TLS inflated (17)	Total TLS dollars claimed (18)
Incremental cost of providing TLS (16)	<u>\$8.006503</u>	<u>\$ 1,321.0730</u> (18)

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)	Number of Subscribers per month (20)	Total PICC dollars waived (21)
Monthly charge per line (19)	<u>0</u>	<u>\$ 0</u> (21)

ETC Payment (22):	Total Lifeline \$ <u>\$1,650,000</u>	Total TLS \$ <u>\$1,321.0730</u>
	Total Link Up \$ <u>\$3,090.0000</u>	Total PICC \$ <u>0</u>
	Total Dollars \$ <u>\$8,064.0730</u> <u>6062</u>	

If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

Received  
Entered Date  
Validation Date  
Manager Review Date

8/18/06  
8/22/06  
8/23/06  
8/25/06

Initials  
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Initials

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AK  
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INCORRECT TOTAL

Rounding

Other \_\_\_\_\_

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P. 024

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
2040-0610

Avg. Burden Est. per Respondent: 3.8 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

2/14/06  
DATE  
President  
OFFICER/EMPLOYEE TITLE

[Signature]  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Schwan  
OFFICER/EMPLOYEE NAME

NOTICE: To implement Section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the Federal low-income programs. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would thwart Congress' goals of providing affordable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

We have estimated that each response to this collection of information will take, on average, three hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather any materials required data, and complete and review the response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AAD-PERM, Washington, D.C. 20554, Paperwork Reduction Project (2040-0610). We will also accept your comments on the burden estimate via the Internet if you send them to jccoy@fcc.gov. Please DO NOT SEND the data requested to this e-mail address.

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P. 001

FCC 487  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3000-0819  
Avg. Burden Est. per Respondent: 3.0 Hrs.

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date:	<u>July 22, 2006</u>
Mailing Address:	<u>7304 Zircon Dr. SW Lakewood, Wa. 98498</u>	b) Data Month:	<u>June</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision
Telephone Number:	<u>(253) 973 - 2476</u>	d) State Reporting:	<u>Florida</u>
Fax Number:	<u>(253) 475 - 6328</u>		
E-mail Address:	<u>stan@vciwire.com</u>		

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-income Subscribers receiving federal Lifeline Support	(6) <u>102</u>	x \$ <u>6.50</u>	= \$ <u>663</u>
Tier 2 Low-income Subscribers receiving federal Lifeline Support	(6) <u>102</u>	x \$ <u>1.75</u>	= \$ <u>179</u>
Tier 3 Low-income Subscribers receiving federal Lifeline Support	(7) <u>102</u>	x \$ <u>1.75</u>	= \$ <u>179</u>
Tier 4 Low-income Subscribers receiving federal Lifeline Support	(8) <u>0</u>	x \$ <u>25.00</u>	= \$ <u>0</u>

Check box to the right if partials or pro rate amounts are used. Indicate dollar amount, if applicable, on line 9.  \$ 1071 (9)  
NOTE: (Do not include partials or pro rate amounts on lines 5 - 8 above)

Total federal Lifeline support claim (Sum of lines 6a, 6b, 7a, 8c & 9) \$ \$1,020,000 (10)

Link Up	Non-Tribal (a)	Tribal (b)	Total Link Up (c)
Number of Connections waived	(11) <u>102</u>	<u>0</u>	<u>102</u>
Charges waived per Connection	(12)* \$ <u>30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived	(13) \$ <u>3,060.00</u>	\$ <u>-</u>	
Deferred interest	(14) <u>0</u>		
Total Link Up dollars waived	(15) \$ <u>3,060.00</u>	\$ <u>-</u>	= \$ <u>\$3,060,000</u> (16)

Toll-Limitation Services (TLS)		Total TLS dollars claimed
Incremental cost of providing TLS	(16) <u>\$10.84</u>	
Number of subscribers for whom TLS Initiated	(17) <u>102</u>	\$ <u>\$1,116,2676</u> (18)

Presubscribed Interexchange Carrier Charge (PICC)	(For Price-cap companies only; prior to 7/1/2000)	Total PICC dollars waived
Monthly charge per line	(19) <u>0</u>	
Number of Subscribers per month	(20) <u>0</u>	\$ <u>0</u> (21)

ETC Payment (22)	
Total Lifeline \$	<u>\$1,020,000</u>
Total Link Up \$	<u>\$3,060,000</u>
Total TLS \$	<u>\$1,116,2676</u>
Total PICC \$	<u>0</u>
Total Dollars \$	<u>\$5,196,2676</u>

If you have any questions, please call USAC at (866) 873(USF)-4777 Toll Free INCORRECT TOTAL

Received  
Entered Date  
Initiation Date  
Manager Review Date

7/25/06  
7/25/06  
7/25/06  
7/25/06

Initials na  
Initials nc  
Initials cd

Rounding   
Other

J6 MON 11:28 AM

P.002

FCC 497  
October 2000

LIFELINE AND LINK UP WORKSHEET

Approved by OMB  
3060-0819

Avg. Burden Est. per Respondent: 3.0 Hrs.

CERTIFICATIONS AND SIGNATURES (23)

I certify that my company will publicize the availability of Lifeline and Linkup services in a manner reasonably designed to reach those likely to qualify for those services.

I certify that my company will pass through the full amount of all Tier Two, Tier Three, and Tier Four federal Lifeline support for which my company seeks reimbursement, as well as all applicable intrastate Lifeline support, to all qualifying low-income subscribers by an equivalent reduction in the subscriber's monthly bill for local telephone service.

I certify that my company has received any non-federal regulatory approvals necessary to implement the required rate reduction(s).

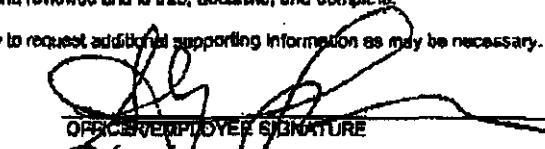
I certify that my company is  is not  subject to state regulation. (Please check one.)

Based on the information known to me or provided to me by employees responsible for the preparation of the data being submitted, I certify that the data contained in this form has been examined and reviewed and is true, accurate, and complete.

I acknowledge the Fund Administrator's authority to request additional supporting information as may be necessary.

7/2/06  
DATE

President  
OFFICER/EMPLOYEE TITLE

  
OFFICER/EMPLOYEE SIGNATURE  
Stanley Johnson  
OFFICER/EMPLOYEE NAME

NOTICE: To implement section 254 of the Communications Act of 1934, as amended, the Federal Communications Commission has adopted changes to the federal low-income program. The Commission has expanded the availability of these programs and the level of funding for discounts to low-income customers.

The following worksheet provides the means by which eligible telecommunications carriers will be reimbursed by the Universal Service Administrative Company (USAC) for their participation in these programs. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing sections 214 and 254 of the Act, would hinder Congress' goals of providing a sustainable service and access to advanced services throughout the nation, and would result in eligible telecommunications carriers not receiving universal service support reimbursements in a timely fashion.

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**EXHIBIT RJC-21**  
**REDACTED**

CONFIDENTIAL INFORMATION HIGHLIGHTED IN YELLOW

Column▶	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
▼Line▼			Lines Reported to FTRI	AT&T Resale Lines	AT&T Wholesale Local Platform (WLP) Lines	Form 497 Claimed Lines	Difference Between AT&T lines & lines claimed at USAC	Amount Claimed Lines @ \$10	Lifeline Amount Received from USAC	Form 497 TLS Customers Claimed	TLS cost per customer claimed by VCI	\$ Amount TLS Claimed	TLS Amount Received from USAC	Form 497 Link-Up Claimed	Amount Link-Up Claimed @ \$30	Link-Up Amounts Received from USAC	Resale billed by AT&T	WLP lines billed by AT&T
1	6/1/2006		No report			102		\$1,021		102	@ \$10.94	\$1,116		102	\$3,060			
2	7/1/2006		No report			165		\$1,650		165	@ \$8.01	\$1,321		103	\$3,090			
3	8/1/2006		26			215		\$2,150	\$1,021	215	@ \$5.38	\$1,157	\$1,116	62	\$1,860	\$3,060		
4	9/1/2006		520			520		\$5,200	\$1,651	520	@ \$8.01	\$4,166	\$1,321	325	\$9,750	\$3,090		
5	10/1/2006		1,050			1,052		\$10,520	\$4,681	1,052	@ \$4.86	\$5,111	\$2,483	233	\$6,990	\$4,030		
6	11/1/2006		1,875			1,875		\$18,750	\$8,333	1,875	@ \$8.21	\$15,399	\$7,062	1,220	\$36,600	\$16,989		
7	12/1/2006		4,612			4,623		\$46,230	\$19,825	4,623	@ \$5.15	\$23,820	\$8,162	1,198	\$35,940	\$7,527		
8	1/1/2007	Revised 497	5,913			4,852		\$48,520	\$37,839	4,852	@ \$4.82	\$23,395	\$29,466	1,052	\$31,560	\$67,689		
9	2/1/2007	Revised 497	7,184			6,857		\$68,571	\$61,936	6,857	@ \$4.02	\$27,577	\$38,285	785	\$23,550	\$30,845		
10	3/1/2007	Revised 497	8,695			6,845		\$68,450	\$79,913	6,845	@ \$4.32	\$29,572	\$35,728	1,045	\$31,350	\$41,400		
11	4/1/2007	Revised 497	7,045			5,682		\$56,820	\$81,093	5,682	@ \$4.47	\$25,412	\$32,244	978	\$29,340	\$24,690		
12	5/1/2007		6,895			6,895		\$68,950	\$71,442	6,895	@ \$4.37	\$30,119	\$27,881	1,095	\$32,850	\$33,420		
13	6/1/2007		1,527			6,145		\$61,451	\$64,246	6,145	@ \$1.16	\$7,144	\$25,353	951	\$28,530	\$51,378		
14	7/1/2007		1,438			5,786		\$57,860	\$33,405	5,786	@ \$1.10	\$6,389	\$11,556	574	\$17,220	\$4,261		
15	8/1/2007		1,388			5,487		\$54,870	\$53,871	5,487	@ \$1.09	\$5,996	(\$18,204)	485	\$14,550	\$23,877		
16	9/1/2007		No report			5,689		\$56,890	\$59,693	5,689	@ \$1.09	\$6,200	\$5,632	487	\$14,610	(\$1,876)		
17	10/1/2007		560			5,798		\$57,981	\$41,492	5,798	@ \$1.09	\$6,316	\$5,103	493	\$14,790	\$10,410		
18	11/1/2007		1,189			5,799		\$57,990	\$66,634	5,799	@ \$1.09	\$6,312	\$6,200	489	\$14,670	\$14,728		
19	12/1/2007		630			4,912		\$49,120	\$57,955	4,912	@ \$1.00	\$4,926	\$7,137	13	\$390	\$14,912		
20	1/1/2008		584			4,875		\$48,750	\$58,451	4,875	@ \$1.00	\$4,884	\$6,483	9	\$270	\$14,958		
21	2/1/2008		473			4,898		\$48,981	\$37,773	4,898	@ \$1.00	\$4,905	\$3,278	7	\$210	(\$14,298)		
22	3/1/2008							\$47,113				\$4,715				\$438		
23	Totals		51,604			89,072		\$890,725	\$888,367	89,072		\$241,238	\$241,001	11,706	\$351,180	\$351,228		
24																		
25																		
26	Claimed Lines to USAC			89,072					Lifeline \$ Rec'd from USAC	\$888,367			TLS \$ Rec'd from USAC	\$241,001		Link-Up \$ Rec'd from USAC		\$351,228
27	Eligible Lines								Eligible Lines				Eligible dollar amount	\$0		Eligible dollar amount		
28	Overstated Lines								Overpayment from USAC				Overpayment from USAC	\$241,001		Overpayment from USAC		
29																		
30																		
31																Total Dollars Received from USAC		\$1,480,596
32																Eligible dollar amount		
33																Overpayment to VCI		

# EXHIBIT RJC-22

# VCI Company

P.O. Box 98907  
Lakewood, WA 98496-8907  
Phone: (800) 923-8375  
Fax: (253) 475-6328

*Via Electronic Mail*

October 9, 2007

Curtis Williams  
Florida Public Service Commission  
Division of Competitive Markets and Enforcement  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: VCI COMPANY RESPONSES TO FLORIDA PUBLIC SERVICE  
COMMISSION'S LIFELINE AND LINK-UP DATA REQUEST ISSUED  
SEPTEMBER 18, 2007<sup>1</sup>

1. The number of residential access lines in service.

October 2006	1,052
November 2006	1,875
December 2006	4,623
January 2007	5,913
February 2007	7,184
March 2007	6,895
April 2007	7,045
May 2007	6,895
June 2007	6,145
July 2007	5,786
August 2007	5,487
September 2007	5,598

<sup>1</sup> As requested, data from October 1, 2006 through September 30, 2007 is provided for Items 1 through 15.

Responses to Lifeline and Link-Up Data Request  
 October 9, 2007

2. The number of Lifeline customers.

Response: Same as above.

3. From the customers identified in item no. 2, provide the number of customers who did not have telephone service before applying for Lifeline.

Response: Unless the customer discloses this information, VCI is not aware of whether the customer was without telephone service prior to subscription. If disclosed, the Company does not record this anecdotal information for statistical purposes.

4. The number of customers denied Lifeline service. Identify the reason(s) customers were denied Lifeline (i.e. customer currently receiving Lifeline, inability to verify participation in a qualifying program, past due balance, etc.).

Response: As VCI's customers self-certify that the customer participates in an eligible program, no customer is denied Lifeline service.

5. The number of customers who received Link-Up service.

October 2006	233
November 2006	1,220
December 2006	1,198
January 2007	1,289
February 2007	1,056
March 2007	1,085
April 2007	1,345
May 2007	1,095
June 2007	951
July 2007	574
August 2007	485
September 2007	435

Responses to Lifeline and Link-Up Data Request  
October 9, 2007

6. The number of new Lifeline customers added.

Response: Between October 2006 and September 2007, VCI enrolled 4,546 customers in the Lifeline and/or Link-Up program(s).

7. The number of customers removed from Lifeline service.

Response: Customers are not removed from Lifeline service unless the customer informs the company or the company determines in some other way that the customer no longer qualifies for benefits. VCI has not yet been informed or become aware that any Florida customer no longer qualifies for benefits. If VCI is so informed or becomes aware of the customer's ineligibility, the company will inform the customer of the right to be billed for service at the Lifeline transitional rate.

8. The number of Lifeline customers subscribing to ancillary services. Identify each service separately.

Response: Between October 2006 and September 2007, all of VCI's Lifeline customers subscribed to toll limitation service.

9. The number of Lifeline customers subscribing to bundled service offerings.

Response: None. VCI does not offer bundled services.

10. The number of customers who received discounted service under the transitional Lifeline provision.

Response: None because VCI was not aware that any customers became ineligible for Lifeline during this time period.

11. The number of customers subscribing to Lifeline and Link-Up through the Tribal Lands provision.

Response: None.

12. The number of customers enrolled in Lifeline under the income-based certification process.

Response: None.

13. The number of customers enrolled in Lifeline under the simplified certification process.

Response: During the period June 2006 – September 2007, all of VCI's customers were enrolled under the simplified certification process by which the Customer submits a form certifying under penalty of perjury that the customer receives benefits from a qualifying program.



Responses to Lifeline and Link-Up Data Request  
October 9, 2007

14. The number of customers enrolled in Lifeline under the Commission's on-line and DCF automatic enrollment process.

Response: With respect to the Commission's on-line automatic enrollment process, the Company has found that 85% of the customers listed on the application downloads have already subscribed to Lifeline and/or Link-Up service via the company's toll-free telephone number. The Company does not keep statistics on the number of remaining consumers listed on the Commission's on-line applications who become VCI customers.

To VCI's knowledge, the company has not yet received notice of any customers automatically enrolled by DCF.

15. The number of residential access lines with Lifeline that were resold to other carriers. Identify each carrier separately.

Response: VCI Company did not resell any residential access lines with Lifeline to any other carriers.

16. Description of your company's procedures for enrolling customers in the Lifeline and Link-Up program. Include the following in your response:

- a. Procedures used to process applications received from the Office of Public Counsel.

Response: To VCI's knowledge, the company has not received any applications from the Office of Public Counsel. Were VCI to receive applications from the Office of Public Counsel, VCI would contact the customer to verify the customer's information and the customer's desire to subscribe to VCI's services. Upon verification of information and the customer's consent to do so, VCI would enroll the customer in Lifeline and Link-Up.

- b. Procedures used to process applications received directly from customers.

Response: VCI advertises the availability of Lifeline and Link-Up services and the charges therefor via television commercial inviting the customer to contact the company via the Company's toll-free telephone number, 800-923-8375. Interested customers speak to customer service representatives who describe the program and the rates, ensure that the customer participates in an eligible program, and advise the customer to submit a self-certification form.

Responses to Lifeline and Link-Up Data Request  
October 9, 2007

- c. Procedures used to process applications received through the Commission's on-line and DCF automatic enrollment process.

Response: When VCI becomes aware that applications are available for download from the Commission's web site, customer service representatives download the information and verify whether the customer is already a VCI subscriber. VCI has found that approximately 85% of the customers who apply on-line for VCI's services already have subscribed to the company's services via the toll-free telephone number. In the case of customers who are not current VCI subscribers, customer service representatives contact the customer via the telephone number listed and enroll the customer after verifying the customer's information submitted in the down-loaded application.

To VCI's knowledge, the company has not yet received notice of any customers automatically enrolled by DCF.

- d. The amount of time required to process applications. Include time period between receipt of customer application and the billing date of the first bill providing the credit.

Response: Once customer eligibility is verified the customer is enrolled in Lifeline and/or Link-Up service. The customer's first bill for service reflects the Lifeline and/or Link-Up discount.

17. Description of your company's procedures for performing continued verification of customer eligibility after initial certification. Include the following in your response:

Response: VCI has not yet been serving Florida customers for one year. Thus, VCI's first annual verification process for Florida customers will be initiated in January 2008.

Of course, VCI will double check with the Commission regarding Florida's preferred annual verification procedures. To date, VCI's standard practice for conducting annual verifications is to submit letters to a statistically significant sampling of customers in each state informing the customer that the customer has been randomly selected, pursuant to FCC rules, for verification of continued eligibility for Lifeline/Link-Up service and that the customer is required to submit documentation of his/her continued eligibility within 60 days of the date of the letter. The Company then follows up with reminder telephone calls during the 60 day period. Customers that do not submit information verifying continued eligibility after receipt of VCI's letter(s) and telephone calls, are informed by the company that the customer will be billed VCI's non-Lifeline rate on the customer's next bill.

VCI presumes that Florida customers who fail to provide documentation of continued eligibility are to be billed for Lifeline transitional service for a period of one year, and for ordinary residential service at the end of the one year period.

Responses to Lifeline and Link-Up Data Request  
October 9, 2007

18. Description of each bundled service offering available to Lifeline and Link-Up customers. Include the following in your response:

Response: VCI Company does not offer bundled services.

19. Description of your company's procedures for promoting Lifeline and Link-Up.

Response: VCI Company advertises the availability of Lifeline service and the rates therefor via television commercials.

20. Description of procedures associated with the enrollment of Lifeline and Link-Up customers by resellers of telecommunications services through resale agreements. Include the following in your response:

- a. Billing procedures associated with the pass through of the credit, including the amount of the pass through for each reseller.
- b. Certification and verification procedures and requirements.
- c. Any other terms and conditions applicable to resellers offering Lifeline and Link-Up that are not imposed on resellers who do not offer Lifeline and Link-Up.

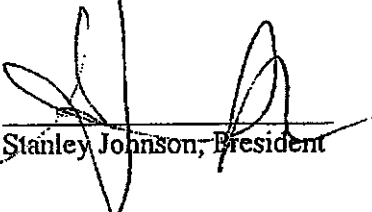
Response: VCI Company has not resold lines with Lifeline and Link-Up service to other carriers.

21. Does your company train your customer service representatives about Lifeline and Link-Up?

Response: As VCI Company primarily serves low-income consumers, VCI's customer service representatives receive extensive training in and education about these services.

Respectfully submitted this 9th day of October, 2007.

VCI Company



Stanley Johnson, President

**EXHIBIT RJC-23**  
**REDACTED**

**CONFIDENTIAL**  
**CONFIDENTIAL**

AT&T Florida  
FPSC Dkt No. 080065-TX  
Staff's Subpoena Re:  
Vilaire Communications, Inc. (VCI)  
March 31, 2008  
Item No. 1  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Number of AT&T Resale Lines Provided VCI for January 2008 and February 2008.

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated March 31, 2008.

Below are the Resale lines

<u>Category</u>	<u>1/1/2008</u>	<u>2/1/2008</u>
Res Access	[REDACTED]	[REDACTED]

DOCUMENT NUMBER-DATE

02629 APR -4 8

FPSC-COMMISSION CLERK

AT&T Florida  
FPSC Dkt No. 080065-TX  
Staff's Subpoena Re:  
Vilaire Communications, Inc. (VCI)  
March 31, 2008  
Item No. 2  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Number of AT&T Circuits provided via a wholesale agreement to VCI for January 2008 and February 2008.

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated March 31, 2008.

Below are the AT&T circuits provided via a wholesale agreement.

Category  
Res Access

1/1/2008

2/1/2008

AT&T Florida  
FPSC Dkt No. 080065-TX  
Staff's Subpoena Re:  
Vilaire Communications, Inc. (VCI)  
March 31, 2008  
Item No. 4  
Page 1 of 1  
PROPRIETARY

REQUEST: AT&T charges to VCI for the months of January and February 2008 broken down by Resale and wholesale circuits.

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated March 31, 2008.

Please see the current charges as provided below for the specified bill date.



**CONFIDENTIAL**  
**CONFIDENTIAL**

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's Follow Up Request to First  
January 7, 2008  
Item No. 1  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Number of AT&T Resale Lines Provided VCI for November and December 2007.

AMENDED

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated January 10, 2008.

Below are the Resale lines

<u>Category</u>	<u>Product</u>	<u>11/1/2007</u>	<u>12/1/2007</u>
Res Access	065 Flat Rate Residence	[REDACTED]	[REDACTED]

DOCUMENT NUMBER-DATE  
00574 JAN 23 8  
[Signature]  
... CLERK





AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's Follow Up Request to First  
January 7, 2008  
Item No. 2  
Page 1 of 1  
**PROPRIETARY**

REQUEST: Number of AT&T Circuits provided via a wholesale agreement to VCI for November and December 2007.

AMENDED

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated January 10, 2008.

Below are the AT&T circuits provided via a wholesale agreement.

<u>Category</u>	<u>Product</u>	<u>11/1/2007</u>	<u>12/1/2007</u>
Res Access	644 UNE DS0 Combo - Res		

DOCUMENT NUMBER-DATE

00574 JAN 23 8

FPSC-COMMISSION CLERK

AT&T Florida  
FPSC Undocketed Item Involving  
Vilarie Communications, Inc. (VCI)  
Staff's Follow Up Request to First  
January 7, 2008  
Item No. 3  
Page 1 of 1  
**PROPRIETARY**

REQUEST: AT&T charges to VCI for the months of November and December 2007 broken down by Resale and UNE.

AMENDED

RESPONSE: This information is considered confidential, proprietary customer information and is being provided under a Claim of Confidentiality Letter, pursuant to Subpoena dated January 10, 2008.

The information provided below is the current charges for the specified bill date.



DOCUMENT NUMBER-DATE

00574 JAN 23 8

FPSC-COMMISSION CLERK

# EXHIBIT RJC-24



**Step 1: Toll Limitation Service Support**

**Toll Limitation Service (TLS) support allows eligible consumers to choose toll blocking or toll control at no cost.**

Toll Limitation Service (TLS) is a service that eligible telecommunications carriers (ETCs) must offer to eligible low-income subscribers at no charge. Qualifying low-income consumers choose whether or not they want TLS. This service includes toll blocking, which allows subscribers to block outgoing toll calls, and toll control, which allows subscribers, in advance, to limit their toll usage per month or billing cycle.

ETCs are required to provide at least one type of toll-limitation service, although, in some cases, companies have received additional time from their state commission to complete the network upgrades needed to provide TLS.

Support to ETCs will be provided for the incremental cost of providing TLS. These costs include the costs that carriers otherwise would not incur if they did not provide TLS to a given customer. The incremental cost of TLS does NOT include:

- The full retail charge for TLS that the carrier would charge other consumers.
- Joint and common costs associated with TLS are not supported by the Low Income Program ( e.g., overhead and the cost of facilities used for both TLS and non-TLS purposes).

Low Income support for TLS is available only for incremental costs that are associated exclusively with toll limitation service. For instance, Low Income support will reimburse ETCs for a switch upgrade only if it is needed exclusively for the provision of TLS. A switch upgrade that will be used for the performance of functions other than providing TLS is not reimbursable by the Low Income Program.

**What should and should not be included in your company's TLS incremental cost?** YES NO

The rate listed in the company's tariff	<b>X</b>
The installation or changing of central office connections required to begin providing customer with TLS	<b>✓</b>
Purchasing laser printers or any equipment that is used for toll limitation and other functions	<b>X</b>
Portion of any switch upgrade or software that is necessary exclusively for the provision of toll limitation	<b>✓</b>
Portions of a switch upgrade that will be used for the performance of functions other than providing toll limitation	<b>X</b>
Time associated with greeting customers or any function that would be performed for all customers, not just TLS	<b>X</b>

Personnel costs associated with enrolling a customer in Lifeline and/or Link Up	<b>X</b>
Personnel costs associated with initiating a Lifeline customer's TLS service	✓
Time associated with explaining TLS at the time of initiating service	✓
Time associated with answering general inquiries, even if they include questions about toll limitation and/or blocking	<b>X</b>
Time associated with processing, switch functions, billing, reporting EXCLUSIVE to TLS customers	✓

**Step 2 Determine Eligibility**

Last modified on 2/29/2008

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# EXHIBIT RJC-25



# FLORIDA E9-1-1 PROGRAM STATUS

As Of: Monday, March 03, 2008

**TYPE SYSTEM**

1 = Basic 9-1-1

2 = Basic 9-1-1 With ANI

3 = Basic 9-1-1 With ANI and ALI (Known as Stand Alone Location Identification System (SALI))

4 = Fully Enhanced E9-1-1 provided by the regulated telephone company

5 = Fully Enhanced E9-1-1 in which the regulated telephone company provides ANI and customer service records and county controlled equipment provides selective routing, ALI, and selective transfer

County	Type System	Start Date	End Date	Fee	Notes
ALACHUA	4	7/1/74	3/1/88	.50	
BAKER	5	1/23/78	6/15/98	.50	
BAY	4	7/15/78	7/15/88	.50	
BRADFORD	5	8/4/86	9/8/95	.50	
BREVARD	4	9/20/82	9/20/82	.50	
BROWARD	4	11/1/75	12/15/82	.50	
CALHOUN	5	7/8/96	7/8/96	.50	
CHARLOTTE	4	1/15/79	6/19/92	.50	
CITRUS	4	6/28/88	6/28/88	.50	
CLAY	4	2/2/97	2/2/87	.50	
COLLIER	4	2/14/78	4/25/89	.50	
COLUMBIA	4	5/10/88	5/10/88	.50	
DADE	4	2/12/79	2/12/79	.50	
DESOTO	4	10/1/85	3/11/97	.50	
DIXIE	4	4/3/92	4/3/92	.50	
DUVAL	4	2/2/87	2/2/87	.44	
ESCAMBIA	4	1/8/79	6/2/87	.50	
FLAGLER	4	5/7/78	1/4/91	.50	Feb 7, 05
FRANKLIN	5	12/1/87	5/15/97	.50	
GADSDEN	4	6/1/77		.50	
GILCHRIST	4	9/30/94	10/15/95	.50	
GLADES	4	10/29/76		.50	
GULF	4	11/1/94	11/1/94	.50	
HAMILTON	5	4/1/92		.50	
HARDEE	4	11/1/77		.50	
HENDRY	4	2/1/2000		.50	

HERNANDO	4	12/16/78	5/1/90	.50	Feb 7, 05
HIGHLANDS	4	10/26/88	10/26/88	.50	
HILLSBOROUGH	4	9/11/88	9/11/88	.50	
HOLMES	4	8/28/95		.50	
INDIAN RIVER	4	10/1/82	10/1/82	.50	
JACKSON	4	6/1/93	6/1/93	.50	
JEFFERSON	4	1/2/91		.50	Feb 7, 05
LAFAYETTE	4	5/2/97		.50	
LAKE	4	9/11/89	9/11/89	.50	
LEE	4	4/7/87	4/7/87	.44	
LEON	4	12/1/76	1/22/91	.50	
LEVY	4		9/29/95	.50	
LIBERTY	5	1/7/96		.50	
MADISON	4	6/6/76	6/1/93	.50	
MANATEE	4	3/1/84	11/3/86	.50	
MARION	4	10/11/89	10/11/89	.50	
MARTIN	4	11/1/78	5/12/88	.50	Oct 1, 04
MONROE	4	4/10/76	6/7/89	.50	Oct 1, 06
NASSAU	4	11/1/79	10/2/89	.50	
NOKALOOSA	5	9/1/88	9/1/88	.50	Dec 14, 04
OKEECHOBEE	4	10/17/78		.50	
ORANGE	4	10/8/80	10/8/80	.50	
OSCEOLA	4	2/17/88	2/17/88	.50	
PALM BEACH	4	12/15/81	12/15/81	.50	
PASCO	4	1/30/89	1/20/89	.40	Jan 1, 06
PINELLAS	4	7/1/78	6/27/89	.50	
POLK	4	2/15/88	2/15/88	.50	
PUTNAM	4	6/30/89	6/30/89	.50	
SANTA ROSA	4	3/8/77	9/15/94	.50	
SARASOTA	4	9/17/85	9/17/85	.50	
SEMINOLE	4	10/21/86	10/21/86	.50	
ST. JOHNS	4	2/2/87	2/2/87	.50	
ST. LUCIE	4	12/8/74	8/6/86	.50	
SUMTER	4	8/19/94	8/19/94	.50	
SUWANNEE	5	8/1/94	8/1/94	.50	
TAYLOR	5	10/1/76	4/1/91	.50	
UNION	5	2/27/76		.50	



VOLUSIA	4	12/5/83	12/5/83	.41	
WAKULLA	4	5/27/77	6/2/94	.50	
ALTON	4	6/8/93	6/8/93	.50	
WASHINGTON	4	3/1/95	6/15/97	.50	

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- HOME ● OFFICERS ● COORDINATORS ● CEFA ● NOFA ● SOFA ●
  - WEFA ● TELEPHONE COMPANIES ● WIRELESS CARRIERS ●
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Send E-mail to [jbrock@washingtonfl.com](mailto:jbrock@washingtonfl.com)

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Page Created & Designed By: Jerry Brock

Last Updated: March 03, 2008