



DIRECT TESTIMONY OF INTESAR TERKAWI

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Q. Please state your name and business address.

A. My name is Intesar Terkawi and my business address is 2540 Shumard Oak Blvd., Tallahassee, Florida, 32399-0850.

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

A. I am employed by the Florida Public Service Commission as a Regulatory Analyst II in the Division of Regulatory Compliance and Consumer Assistance.

Q. How long have you been employed by the Commission?

A. I have been employed by the Florida Public Service Commission (FPSC) since October, 2001.

Q. Briefly review your educational and professional background.

A. I attended the University of Central Florida and in 1993, I received a Master of Arts in Communication and in 2001 I received a Bachelor of Science degree with a major in Accounting. I am also a Certified Public Accountant licensed in the State of Florida and an Enrolled Tax Agent licensed by the Department of Treasury.

Q. Please describe your current responsibilities.

A. Currently, I am a Regulatory Analyst II with the responsibilities of planning and directing audits of regulated companies. I am also responsible for creating audit work programs to meet a specific audit purpose.

Q. What is the purpose of your testimony today?

1 A. The purpose of my testimony is to sponsor the staff audit report of Vilaire  
2 Communications, Inc. (VCI) which addresses the company's compliance with the Low  
3 Income Mechanism requirements of the Universal Service Administrative Company's  
4 (USAC). The Audit Control Number is 07-250-1-2. This audit report is filed with my  
5 testimony and is identified as Exhibit IT-1. The audit work papers are also filed with  
6 my testimony. The work papers that are not held as confidential are identified as  
7 Exhibit IT-2. Those audit work papers that are being held by the Commission as  
8 confidential, based on the company's claim of confidentiality, are identified as Exhibit  
9 IT-3.

10  
11 Q. Did you prepare this audit report?

12 A. Yes, I was the audit manager in charge of the audit.

13  
14 Q. Please describe the work performed in this audit.

15 A. I recalculated the amounts on the FCC 497 forms by multiplying the number of  
16 customers on the subscriber listings by the approved rate for the period from June 1,  
17 2006 through June 30, 2007. I compared the number of customers shown on the same  
18 forms to the number of customers on the subscriber listings for each month of the audit  
19 period. I also reconciled the amounts on the forms to Commission Order No. PSC-06-  
20 0436-PAA-TX, issued May 22, 2006 and reconciled the rates to the approved tariff.

21 I also recalculated the amounts from the invoices, for monies spent for  
22 advertisement for the LifeLine and LinkUp programs for the period from June 1, 2006  
23 through June 30, 2007. I obtained the text the company uses for advertisement and  
24 determined that the company uses three TV stations to advertise the LifeLine and  
25 LinkUp programs.

1 I reviewed the company's process for termination of LifeLine customers for  
2 failure to verify eligibility. I reviewed the company's statement that VCI sends a  
3 customer a separate letter from the monthly bill informing the customer of the  
4 impending termination and allowing the customer 60 days to appeal. I requested the  
5 company provide a list of LifeLine customers that were terminated during our audit  
6 period, a copy of the termination letters, and the next three bills subsequent to the  
7 termination letters of each customer terminated. The company responded that no  
8 Florida customers had been terminated for ineligibility due to the fact that the company  
9 had not been in Florida for an entire year. The audit was concluded in November,  
10 2007. The company's first verification of continued eligibility for Florida customers  
11 was to be conducted in January of 2008.

12 Regarding the customer line count shown on the FCC 497 forms, I reviewed  
13 the phone numbers on the subscriber listings for LifeLine and LinkUp programs for  
14 duplicates and obtained a statement from the company stating that all subscribers are  
15 residential customers.

16 I recalculated the incremental costs for toll limitation services reported on the  
17 FCC 497 forms. I tested the months of June 2006, July 2006, and May 2007 and  
18 obtained the recurring and the non-recurring costs of the company's sole underlying  
19 carrier. I confirmed with the company that the toll limitation service is being selected  
20 by the customer, and is not required by the Company.

21

22 Q. Please review the audit findings in the audit report.

23 A. **Audit Finding No. 1**

24 Audit Finding No. 1 discusses the company's books and records. On May 22,  
25 2006, the Commission designated VCI as an Eligible Telecommunications Carrier

1 (ETC) in AT&T's service area (see Order No. PSC-06-0436-PAA-TX, issued May 22,  
2 2006, in Docket No. 060144-TX.) As an ETC, the company is required to follow the  
3 rules promulgated by the Federal Communications Commission (FCC). As a  
4 certificated CLEC in Florida, the company is required to follow the statutes and rules  
5 promulgated by the FPSC.

6 FCC Rule 47 CFR 54.417 addresses recordkeeping requirements as follows:

7 "Eligible telecommunications carriers must maintain records to  
8 document compliance with all Commission and state requirements  
9 governing the LifeLine/LinkUp programs for the three full  
10 preceding calendar years and provide that documentation to the  
11 Commission or Administrator upon request"

12 Further, Section 364.183(1), Florida Statutes, states:

13 The commission shall have access to all records of a  
14 telecommunications company that are reasonably necessary for the  
15 disposition of matters within the commission's jurisdiction. ... The  
16 commission may require a telecommunications company to file  
17 records, reports or other data directly related to matters within the  
18 commission's jurisdiction in the form specified by the  
19 commission...

20 FCC Form 499Q is filed quarterly and reports revenue on an aggregate basis  
21 and FCC Form 499A reports revenues annually. I requested detailed documentation to  
22 support the dollar amounts shown on FCC Form 499Q and FCC Form 499A. The  
23 company responded that they would be unable to comply, and stated that the "data  
24 reported on FCC Forms 499Q and 499A are comprised of aggregate figures, including  
25 data from all states in which VCI provides service. Forms 499Q and 499A do not

1 provide for the reporting of data on a state-by-state basis.”

2 I also requested and was provided detailed documentation (invoices) to support  
3 the dollars spent on advertising for each of the LifeLine/LinkUp programs. However, I  
4 was unable to reconcile the advertisement expense to the general ledger and the  
5 Company was also unable to reconcile the costs because the records for advertisement  
6 costs per state are not kept.

7 Audit staff requested support for the revenues reported on the Regulatory  
8 Assessment Fee return filed with this Commission for 2006. The Company did not  
9 provide the requested support.

10 **Audit Finding No. 2**

11 Audit Finding No. 2 discusses the company’s filing with USAC and the FPSC.  
12 USAC reimbursed the company in the amount of \$234,901 for LifeLine, LinkUp, and  
13 Toll Limitation Service for the period from June 1, 2006 through December 31, 2006.  
14 The company reported revenues to the FPSC on its 2006 Regulatory Assessment Fee  
15 form of \$64,449.

16 The company was not able to provide the documents to support the revenue on  
17 the RAF return. The company’s response was that the revenue reported on the 2006  
18 RAF annual return filed with Florida Public Service Commission was correct, and the  
19 amounts reported on FCC 497 forms were reimbursements for LifeLine, LinkUp  
20 programs, and Toll Limitation Service costs. The company’s response does not  
21 address why the revenues received from USAC are significantly higher than those  
22 revenues reported to the FPSC.

23 **Audit Finding No. 3**

24

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1           Audit Finding No. 3 discusses the reported line counts for LinkUp service. I  
2 reviewed the phone numbers reported on the subscriber listings for the LinkUp  
3 program for June 1, 2006 through June 30, 2007 and found 546 duplicates.

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5 Q.     Does this conclude your testimony?

6 A.     Yes, it does.

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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 INTESAR TERKAWI 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

*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 Intesar Terkawi, Appearing On Behalf Of Staff

*EXHIBIT IT-1*: Audit Report

DOCUMENT NUMBER-DATE  
02802 APR 10 8  
FPSC-COMMISSION CLERK



FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
BUREAU OF AUDITING

*Tallahassee District Office*

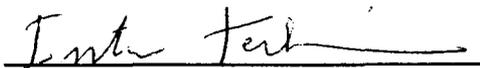
VILAIRE COMMUNICATIONS, INC. (VCI)

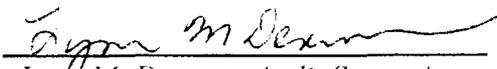
LOW INCOME BENEFICIARY AUDIT

THIRTEEN MONTH PERIOD ENDED JUNE 30, 2007

UNDOCKETED

AUDIT CONTROL NO. 07-250-1-2

  
Intesar Terkawi, Audit Manager

  
Lynd M. Deamer, Audit Supervisor

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
AUDITOR'S REPORT**

iii

November 5, 2007

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED  
PARTIES**

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Competitive Markets and Enforcement in its audit service request. We have applied these procedures to the schedules prepared by Vilaire Communications, Inc. (VCI) in support of its filing for Reimbursement from the Universal Service Fund.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use. There are confidential workpapers in this audit.

DOCUMENT NUMBER-DATE

02802 APR 10 8

FPSC-COMMISSION CLERK

## OBJECTIVES and PROCEDURES

### VERIFICATION OF FILING WITH USAC

**Objective:** - To determine if the amounts reported for reimbursement from the Universal Service Fund are supported by the Company's books and records for the period from June 1, 2006 – June 30, 2007.

**Procedures:** - Auditor recalculated the amounts on the Forms FCC 497 by multiplying the number of customers on the subscriber listings by the approved rate for the period from June 1, 2006 – June 30, 2007. Auditor reconciled the number of customers shown on the Forms FCC-497 to the number of customers on the subscriber listings for each month of the audit period. Auditor reconciled the amounts on the Forms FCC-497 to the FPSC Order No. PSC-06-0436-PAA-TX, issued May 22, 2006. Auditor reconciled the rate on the thirteen months Forms FCC-497 to tariff. Audit Finding No. 2 discusses the problems of reconciling the Forms FCC-497 to the general ledger, to the Regulatory Assessment Fee form filed with this Commission for 2006, the FCC Forms 499-Q, and the FCC 499A.

### ADVERTISEMENT

**Objective:** - To determine if the company advertised for the LifeLine and LinkUp programs, and to examine the advertisement for the different types of services and service rates it offers for the period from June 1, 2006 – June 30, 2007.

**Procedures:** - Auditor recalculated the amounts spent for advertisement for the LifeLine and LinkUp programs for the period from June 1, 2006 – June 30, 2007 from the invoices. Auditor obtained the text the company uses for advertisement. Auditor could not reconcile the amount of advertisement to the general ledger, as the company does not keep separate records of advertisement expenses per state. The company uses three TV stations to advertise for the LifeLine and LinkUp programs.

### TERMINATION

**Objective:** - To determine if the company allowed the subscribers 60 days grace period following the date of impending termination letter to demonstrate continued eligibility as per Section 364.10 (2), Florida Statutes "An eligible telecommunication carrier shall allow a subscriber 60 days following the date of the pending termination letter to demonstrate continued eligibility".

**Procedures:** - Auditor obtained a document from the company stating that VCI would send a customer a separate letter from the monthly bill informing the customer of the termination, and give the customer 60 days to appeal. The auditor requested the company to provide a list of customers that were terminated during our audit period, a copy of the termination letters, and the next three bills subsequent to the termination letters of each customer terminated. The company responded that no Florida customers had been terminated for ineligibility due to the fact that the company has not been in Florida for an entire year. The company's first verification of continued eligibility for Florida customers will be conducted in January of 2008.

## LINE COUNT

**Objective:** - To verify the line count and the amounts shown for each period on Forms FCC-497. To confirm that duplicate telephone numbers were not included in the subscriber listings, nor that the Carrier misclassified single-line businesses, multi-line business and residential for the period from June 1, 2006 - June 30, 2007.

**Procedures:** - Auditor recalculated the amounts shown on the Forms FCC-497. Auditor verified the phone numbers on the subscriber listings for LifeLine and LinkUp programs for duplicity. Audit Finding No. 3 discusses the fact that there are 1,092 duplicate phone numbers in the LinkUp program subscriber listing for the period from June 1, 2006 - June 30, 2007. Auditor obtained a document from the company stating that all subscribers are single line residential.

## TOLL LIMITATION SERVICE

**Objective:** - To verify the reasonableness of the submitted incremental costs, along with the evidence that the choice to have toll limited service is actually being selected by the particular Low Income Consumer and is not being required by the Carrier. To verify that incremental costs do not include joint and common costs for the period from June 1, 2006 - June 30, 2007.

**Procedures:** - Auditor recalculated the incremental costs for toll limitation services reported on Forms FCC-497. Auditor tested the months of June 2006, July 2006, and May 2007. Auditor obtained the recurring and the non-recurring costs of the company's sole underlying carrier. The auditor confirmed with the company that the toll limitation service is being selected by the customer, and is not required by the Company.

AUDIT FINDING NO. 1

SUBJECT: BOOKS AND RECORDS

STATEMENT OF FACT: Per FCC Rule 47 CFR 54.417 Recordkeeping requirements:

*“Eligible telecommunications carriers must maintain records to document compliance with all Commission and state requirements governing the LifeLine/ LinkUp programs for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request”*

**RECOMMENDATION:** Audit staff requested detailed documentation to support the dollar amounts shown on FCC Form 499Q, and FCC Form 499A. Company responded “ VCI cannot comply with this request. As is explained ..., data reported on FCC Forms 499Q and 499A are comprised of aggregate figures, including data from all states in which VCI provides service. Forms 499Q and 499A do not provide for the reporting of data on a state-by-state basis.” FCC Form 499Q is filed quarterly and reports data (such as Interstate revenues and International revenues) in the aggregate for each reporting period. FCC-Form 499A reports revenues from all sources annually.

Audit staff requested detailed documentation to support the dollar amount shown on FCC Form 497. This is a monthly form reporting number of customers multiplied by tariff rates to obtain an amount to be reimbursed by the USAC. Company provided subscribers listings as support for number of customers reported and a general ledger as a support for the dollar amount. Auditor traced the revenue reported on this form to this general ledger provided for June 2006 and July 2006. Auditor was not able to reconcile the revenue reported on this form to this general ledger for August 2006 through June 2007. The auditor requested an explanation but did not receive one for the discrepancy between general ledger amounts and the amounts reported on the FCC Form 497.

Audit staff requested and was provided detailed documentation (invoices) to support the dollars spent on advertising for each of the LifeLine/LinkUp programs. Audit staff requested general ledger support for the amount of advertisement. The Company was unable to provide this because the records for advertisement costs per state are not kept.

Audit staff requested the company to provide support for the revenues reported on the Regulatory Assessment Fee return filed with this Commission for 2006. The Company did not provide documents to support the Regulatory Assessment Fee form filed with this Commission for 2006 and stated that “ Revenues from customers for the year 2006 were correctly reported on the RAF.”

**SUBJECT: FILING WITH USAC AND FPSC**

**STATEMENT OF FACT:** The Company was reimbursed by USAC in the amount of \$234,901 for LifeLine, LinkUp, and Toll Limitation Service for the period from June 1, 2006 to December 31, 2006. The Regulatory Assessment Fee form filed with this Commission for the year 2006 reports revenue of \$64,449.

Rule 25-4.0161, Florida Administrative Code, requires each company to remit a fee based upon its gross operating revenue derived from intrastate business.

**RECOMMENDATION:** The auditor was not able to reconcile the amounts reported on the Forms FCC-497 to the amount of revenue reported on the 2006 annual RAF return. The company was not able to provide the documents to support the revenue on the RAF return. The company's response was that the revenue reported on the 2006 RAF annual return filed with Florida Public Service Commission was correct, and the amounts reported on Forms FCC-497 were reimbursements for LifeLine, LinkUp programs, and Toll Limitation Service costs.

**SUBJECT: LINE COUNT**

**STATEMENT OF FACT:** On the Forms FCC-497 filed with USAC, the company reported the following number of linkups each month. The USAC reimbursed VCI \$30 per each connection.

Month	Number of LinkUp Connections	Unit Reimbursement by USAC	Amount Reimbursed by USAC
October, 2006	233	\$30	\$6,990
December, 2006	1,198	\$30	35,940
April, 2007	1,345	\$30	40,350
May, 2007	1,095	\$30	32,850
June, 2007	951	\$30	28,530
Total	4,822		\$144,660

**RECOMMENDATION:** The audit staff reviewed the phone numbers reported on the subscribers listings for the LinkUp program. As shown on the chart below, the auditor found 546 duplicates, or instances where the phone number was repeated in the same month.

Month	Number of Duplicate LinkUp Connections	Unit Reimbursement by USAC	Amount Reimbursed by USAC
October, 2006	1	30	\$30
December, 2006	250	30	7,500
April, 2007	22	30	660
May, 2007	23	30	690
June, 2007	250	30	7,500
Total	546		\$16,380

*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 Intesar Terkawi**, Appearing On Behalf Of Staff

*EXHIBIT IT-2*: Non-Confidential Portion of Audit Work Papers

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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Non-Confidential Portion of Audit Work Papers

FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
BUREAU OF AUDITING

*Tallahassee District Office*

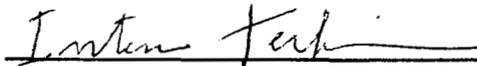
VILAIRE COMMUNICATIONS, INC. (VCI)

LOW INCOME BENEFICIARY AUDIT

THIRTEEN MONTH PERIOD ENDED JUNE 30, 2007

UNDOCKETED

AUDIT CONTROL NO. 07-250-1-2

  
Intesar Terkawi, Audit Manager

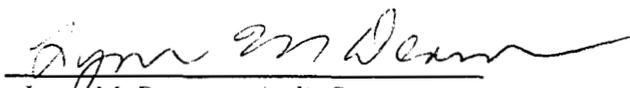
  
Lynn M. Deamer, Audit Supervisor

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**DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE  
AUDITOR'S REPORT**

**November 5, 2007**

Docket No. 080065-TX  
Exhibit IT-2 (Page 4 of 128)  
Non-Confidential Portion of Audit Work Papers

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED  
PARTIES**

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Competitive Markets and Enforcement in its audit service request. We have applied these procedures to the schedules prepared by Vilaire Communications, Inc. (VCI) in support of its filing for Reimbursement from the Universal Service Fund.

This audit is performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures which are only for internal Commission use. There are confidential workpapers in this audit.

## OBJECTIVES and PROCEDURES

Docket No. 080065-TX  
Exhibit IT-2 (Page 5 of 128)  
Non-Confidential Portion of Audit Work Papers

### VERIFICATION OF FILING WITH USAC

**Objective:** - To determine if the amounts reported for reimbursement from the Universal Service Fund are supported by the Company's books and records for the period from June 1, 2006 – June 30, 2007.

18-18-12  
10-10  
1  
5-3  
**Procedures:** - Auditor recalculated the amounts on the Forms FCC 497 by multiplying the number of customers on the subscriber listings by the approved rate for the period from June 1, 2006 – June 30, 2007. Auditor reconciled the number of customers shown on the Forms FCC-497 to the number of customers on the subscriber listings for each month of the audit period. Auditor reconciled the amounts on the Forms FCC-497 to the FPSC Order No. PSC-06-0436-PAA-TX, issued May 22, 2006. Auditor reconciled the rate on the thirteen months Forms FCC-497 to tariff. Audit Finding No. 2 discusses the problems of reconciling the Forms FCC-497 to the general ledger, to the Regulatory Assessment Fee form filed with this Commission for 2006, the FCC Forms 499-Q, and the FCC 499A.

### ADVERTISEMENT

**Objective:** - To determine if the company advertised for the LifeLine and LinkUp programs, and to examine the advertisement for the different types of services and service rates it offers for the period from June 1, 2006 – June 30, 2007.

15  
15-1 thru  
15-44  
**Procedures:** - Auditor recalculated the amounts spent for advertisement for the LifeLine and LinkUp programs for the period from June 1, 2006 – June 30, 2007 from the invoices. Auditor obtained the text the company uses for advertisement. Auditor could not reconcile the amount of advertisement to the general ledger, as the company does not keep separate records of advertisement expenses per state. The company uses three TV stations to advertise for the LifeLine and LinkUp programs.

### TERMINATION

**Objective:** - To determine if the company allowed the subscribers 60 days grace period following the date of impending termination letter to demonstrate continued eligibility as per Section 364.10 (2), Florida Statutes "An eligible telecommunication carrier shall allow a subscriber 60 days following the date of the pending termination letter to demonstrate continued eligibility".

21  
21-1  
**Procedures:** - Auditor obtained a document from the company stating that VCI would send a customer a separate letter from the monthly bill informing the customer of the termination, and give the customer 60 days to appeal. The auditor requested the company to provide a list of customers that were terminated during our audit period, a copy of the termination letters, and the next three bills subsequent to the termination letters of each customer terminated. The company responded that no Florida customers had been terminated for ineligibility due to the fact that the company has not been in Florida for an entire year. The company's first verification of continued eligibility for Florida customers will be conducted in January of 2008.

## LINE COUNT

**Objective:** - To verify the line count and the amounts shown for each period on Forms FCC-497. To confirm that duplicate telephone numbers were not included in the subscriber listings, nor that the Carrier misclassified single-line businesses, multi-line business and residential for the period from June 1, 2006 – June 30, 2007.

22 thru  
22-16

**Procedures:** - Auditor recalculated the amounts shown on the Forms FCC-497. Auditor verified the phone numbers on the subscriber listings for LifeLine and LinkUp programs for duplicity. Audit Finding No. 3 discusses the fact that there are 1,092 duplicate phone numbers in the LinkUp program subscriber listing for the period from June 1, 2006 – June 30, 2007. Auditor obtained a document from the company stating that all subscribers are single line residential.

22 thru  
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## TOLL LIMITATION SERVICE

**Objective:** - To verify the reasonableness of the submitted incremental costs, along with the evidence that the choice to have toll limited service is actually being selected by the particular Low Income Consumer and is not being required by the Carrier. To verify that incremental costs do not include joint and common costs for the period from June 1, 2006 – June 30, 2007.

18 thru  
18-12

**Procedures:** - Auditor recalculated the incremental costs for toll limitation services reported on Forms FCC-497. Auditor tested the months of June 2006, July 2006, and May 2007. Auditor obtained the recurring and the non-recurring costs of the company's sole underlying carrier. The auditor confirmed with the company that the toll limitation service is being selected by the customer, and is not required by the Company.

26 thru  
26-3

**SUBJECT: BOOKS AND RECORDS**

**STATEMENT OF FACT:** Per FCC Rule 47 CFR 54.417 Recordkeeping requirements:

*“Eligible telecommunications carriers must maintain records to document compliance with all Commission and state requirements governing the LifeLine/ LinkUp programs for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request”*

**RECOMMENDATION:** Audit staff requested detailed documentation to support the dollar amounts shown on FCC Form 499Q, and FCC Form 499A. Company responded “ VCI cannot comply with this request. As is explained ..., data reported on FCC Forms 499Q and 499A are comprised of aggregate figures, including data from all states in which VCI provides service. Forms 499Q and 499A do not provide for the reporting of data on a state-by-state basis.” FCC Form 499Q is filed quarterly and reports data (such as Interstate revenues and International revenues) in the aggregate for each reporting period. FCC-Form 499A reports revenues from all sources annually.

19 thru  
19-3  
20 thru  
20-7

Audit staff requested detailed documentation to support the dollar amount shown on FCC Form 497. This is a monthly form reporting number of customers multiplied by tariff rates to obtain an amount to be reimbursed by the USAC. Company provided subscribers listings as support for number of customers reported and a general ledger as a support for the dollar amount. Auditor traced the revenue reported on this form to this general ledger provided for June 2006 and July 2006. Auditor was not able to reconcile the revenue reported on this form to this general ledger for August 2006 through June 2007. The auditor requested an explanation but did not receive one for the discrepancy between general ledger amounts and the amounts reported on the FCC Form 497.

18 thru  
18-12  
12

Audit staff requested and was provided detailed documentation (invoices) to support the dollars spent on advertising for each of the LifeLine/LinkUp programs. Audit staff requested general ledger support for the amount of advertisement. The Company was unable to provide this because the records for advertisement costs per state are not kept.

15-1  
thru  
15-44

Audit staff requested the company to provide support for the revenues reported on the Regulatory Assessment Fee return filed with this Commission for 2006. The Company did not provide documents to support the Regulatory Assessment Fee form filed with this Commission for 2006 and stated that “ Revenues from customers for the year 2006 were correctly reported on the RAF.”

16  
16-2

**AUDIT FINDING NO. 2**

**SUBJECT: FILING WITH USAC AND FPSC**

18 **STATEMENT OF FACT:** The Company was reimbursed by USAC in the amount of \$234,901 for LifeLine, LinkUp, and Toll Limitation Service for the period from June 1, 2006 -- December 31, 2006. The Regulatory Assessment Fee form filed with this Commission for the year 2006 reports revenue of \$64,449.

Rule 25-4.0161, Florida Administrative Code, requires each company to remit a fee based upon its gross operating revenue derived from intrastate business.

16 **RECOMMENDATION:** The auditor was not able to reconcile the amounts reported on the Forms FCC-497 to the amount of revenue reported on the 2006 annual RAF return. The company was not able to provide the documents to support the revenue on the RAF return. The company's response was that the revenue reported on the 2006 RAF annual return filed with Florida Public Service Commission was correct, and the amounts reported on Forms FCC-497 were reimbursements for LifeLine, LinkUp programs, and Toll Limitation Service costs.

**AUDIT FINDING NO. 3**

**SUBJECT: LINE COUNT**

**STATEMENT OF FACT:** On the Forms FCC-497 filed with USAC, the company reported the following number of linkups each month. The USAC reimbursed VCI \$30 per each connection.

	Month	Number of LinkUp Connections	Unit Reimbursement by USAC	Amount Reimbursed by USAC
18-4	October, 2006	233	\$30	\$6,990
18-6	December, 2006	1,198	\$30	35,940
18-10	April, 2007	1,345	\$30	40,350
18-11	May, 2007	1,095	\$30	32,850
18-12	June, 2007	951	\$30	28,530
	Total	16,702		\$144,660

**RECOMMENDATION:** The audit staff reviewed the phone numbers reported on the subscribers listings for the LinkUp program. As shown on the chart below, the auditor found 1,092 duplicates, or instances where the phone number was repeated in the same month.

	Month	Number of Duplicate LinkUp Connections	Unit Reimbursement by USAC	Amount Reimbursed by USAC
$\frac{22}{3}$	October, 2006	1	30	\$30
$\frac{22}{48}$	December, 2006	501	30	15,030
$\frac{22}{120}$	April, 2007	44	30	1,320
$\frac{22}{135}$	May, 2007	45	30	1,350
$\frac{22}{149}$	June, 2007	501	30	15,030
	Total	1,092		\$32,760

# AUDIT SERVICE REQUEST

14 11/01

September 6, 2007

Date of Request

07-22-1 2

RCA control #

Docket No. 080065-TX

Exhibit IT-2 (Page 10 of 128)

Non-Confidential Portion of Audit Work Papers

TO : DIVISION OF REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE

FROM : Competitive Markets and Enforcement John Mann (850) 413-6976  
Division Name Phone Number

RE : REQUEST FOR AUDIT OF: Vilaire Communications, Inc. (VCI)

Undocketed - Low Income beneficiary audit of Vilaire Communications, Inc. (Carrier) for study areas in Florida for Low Income USAC Programs, including Lifeline (LL), LinkUp (LU), and Toll Limitation Services (TLS).

AUDIT PURPOSE: The primary purpose of our audit is to determine whether the Carrier has submitted accurate underlying company data for the calculation of Universal Service support for the years 2006 and 2007.

Vilaire Communications, Inc.

Phone Audit Control No. 07-250-1-2

From June 1st, 2006 - June 30th, 2007

Description Audit Service Request 11/01

LIST AUDIT OBJECTIVES & OTHER INFORMATION ON BACK.

## ADMINISTRATIVE DETAILS:

COMPANY CONTACT: Stan Efferding Secretary/Treasurer (206) 419-5948  
Name Title Phone Number

MAIL ADDRESS: P. O. Box 98907 2228 South 78th Street  
Street Address

Tacoma WA 98409-9050  
City State Zip Code

LOCATION OF RECORDS: Tacoma WA  
City State

AUDIT DUE DATE: October 26, 2007

COORDINATING DETAILS: (Name and Phone Number of other Division staff and any other administrative instructions)

Beth W. Salak, Director, Division of CMP 850-413-6408

Dale N. Mailhot, Assistant Director, CMP 850-413-6418

Richard A. Moses, Chief, CMP 850-413-6582

(Attach copies of FPSC ORDERS and other documents as appropriate)

Docket No. 080065-TX  
 Exhibit IT-2 (Page 11 of 128 )  
 Non-Confidential Portion of Audit Work Papers

Background Information: To protect Universal Service funding, this audit involves certain verification procedures regarding the Low Income universal service programs in Florida. The auditor will examine the financial and cost study records submitted to Universal Service Administrative Company (USAC), along with a review of the documentation supporting line count amounts. The intent of this review is to determine that the Carrier has complied with the Low Income Mechanism requirements for the periods reviewed. The primary purpose of this audit is to determine whether the Carrier has submitted accurate underlying company data for the calculation of Low Income support in both 2006 and 2007.

ITEM #	AUDIT OBJECTIVE OR QUESTION (Add supplemental background for auditor)
1  5	Eligibility verification: Obtain and review the following documents for timely submission and Completeness - a. Eligible Telecommunications Carrier Designation Order (1) (see Attachment 1) b. State Certification Letters (2006-2007) c. Evidence of advertisement (2006-2007)
2 See Lead 16, 18 & 19  16 17  18 19 20	Verification of filings with USAC: Perform a walk-through of the Carrier's USAC reporting procedures. Examine the Carrier's supporting documentation that was used to compile its filing for Universal Service reimbursement. Obtain copies of the following:  <b>FPSC:</b> FPSC Annual RAF filings (Regulatory Assessment Fee) FPSC Tariffs  <b>FCC:</b> FCC Form 497, Low Income Quarterly Report (2) (see Attachment 2) FCC Form 499-Q, Telecommunications Reporting Worksheet (3) FCC Form 499-A, Telecommunications Reporting Worksheet (4)

- 1 Review Order PSC-06-0436-PAA-TX, issued May 22, 2006, to ensure that the Carrier was designated an ETC prior to receiving support. Also obtain and review the state and self certification letters for timeliness.
- 2 This form, the Lifeline and Link -Up Worksheet, must be submitted to the Universal Service Administrative Company (USAC) by all eligible telecommunications carriers (ETCs) that request reimbursement for participating in the low-income program. The form must be submitted by the third Monday after the end of each quarter.
- 3 All telecommunications common carriers that expect to contribute more than \$10,000 to federal Universal Service Fund (USF) support mechanisms must file this quarterly form. The form contains revenue information from the prior quarter plus projections for the next quarter. Form 499-Q relates only to USF contributions. It does not relate to the cost recovery mechanisms for the Telecommunications Relay Service (TRS) Fund, the North American Numbering Plan Administration (NANPA), and the shared costs of local number portability (LNP).

SOURCE As indicated  
 PSC/RCA 008-R (12/05)

4-1

<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>USF Data Collection form</p> <p><b>USAC:</b> Annual filings and correspondence</p> <p><b>NECA:</b> Annual filings</p> <p style="text-align: right;">Docket No. 080065-TX Exhibit IT-2 (Page 12 of 128) Non-Confidential Portion of Audit Work Papers</p>
<p>3</p> <p>15</p>	<p>Advertising</p> <p>Obtain evidence of advertising. Obtain and reviewed documentation that the Carrier has advertised its services that are supported by the federal universal service support mechanisms. Specifically, examine the advertisement for the different types of services and service rates it offers, including Lifeline and LinkUp. (5) If website, bill inserts, and telemarketing is used, determine effectiveness considering qualifying individuals unlikely to have a phone line.</p>
<p>4</p> <p>21</p>	<p>Termination</p> <p>According to §54.410(d), a Carrier must allow subscribers 60 days following the date of the impending termination letter required in paragraph (c) of this section in which to demonstrate continued eligibility. (5) Verify that VCI is allowing the 60 day frame, and not some shorter time period.</p>
<p>5</p> <p>22</p>	<p>Line Count</p> <p>For line count information (6), verify the amounts that were submitted for each period. (7) Confirm that duplicate telephone numbers were not included in the</p>

4 This form must be filed by all contributors to the Universal Service Fund (USF) support mechanisms, the Telecommunications Relay Service (TRS) Fund, the cost recovery mechanism for the North American Numbering Plan Administration (NANPA), and the shared costs of local number portability (LNP). Contributors include every telecommunications carrier that provides interstate, intrastate, and international telecommunications, and certain other entities that provide interstate telecommunications for a fee.

5 54.405(b), Advertising § 54.405 Carrier obligation to offer Lifeline.

All eligible telecommunications carriers shall:

- (a) Make available Lifeline service, as defined in §54.401, to qualifying low-income consumers, and
- (b) Publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.
- (c) Notify Lifeline subscribers of impending termination of Lifeline service if the carrier has a reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria, as described in §54.409. Notification of impending termination shall be in the form of a letter separate from the subscriber's monthly bill. A carrier providing Lifeline service in a state that has dispute resolution procedures applicable to Lifeline termination, that requires, at a minimum, written notification of impending termination, must comply with the applicable state requirements.
- (d) Allow subscribers 60 days following the date of the impending termination letter required in paragraph (c) of this section in which to demonstrate continued eligibility. Subscribers making such a demonstration must present proof of continued eligibility to the carrier consistent with applicable state or federal verification requirements, as described in §54.410(c). Carriers must terminate subscribers who fail to demonstrate continued eligibility within the 60-day time period. A carrier providing Lifeline service in a state that has dispute resolution procedures applicable to Lifeline termination must comply with the applicable state requirements.

[65 FR 47905, Aug. 4, 2000, as amended at 69 FR 34600, June 22, 2004]

6 47 CFR s. 54.802(a) "[e]ach Eligible Telecommunications Carrier... shall submit to the Administrator, on a quarterly basis... line count data showing the number of lines it serves...disaggregated by UNE Zone if UNE Zones have been established within that study area, showing residential/single-line business and multi-line business line counts separately."

7 47 C.F.R. § 54.802(a) "Each Eligible Telecommunications Carrier that is providing service within an area served by a price cap local exchange carrier shall submit to the Administrator, on a quarterly basis on the last business day of March, June, September, and December of each year line count data showing the number of lines it serves for the period ending three months prior to the reporting date."

<p>22 6</p>	<p>subscriber listing (8), nor that the carrier misclassified single-line business, multi-line business and residential. Obtain a detailed report produced by the Carrier's customer record and billing system. Test selected samples, by obtaining copies of monthly bills, to verify that subscribers were active as of the line count date and that the telephone and account numbers on the subscriber listing agree to what was noted on the monthly bills. Also determine the review process that is used by the carrier to ensure that accurate amounts are reported for Low Income purposes.</p>
<p>12 22 25-4 22 &amp; 21</p>	<p>Record Support        For Lifeline (LL) and LinkUp (LU), obtain and examine financial and billing records to support the amounts reported to USAC for Lifeline and LinkUp reimbursement (see Attachment 3). (9) Test selected samples, by obtaining copies of monthly bills, to verify that the Low Income subscribers were active as of the line count date. The auditor will test and verify the amounts received for Lifeline, LinkUp and Toll Limiting Service (TLS). (10) The auditor should also obtain an explanation from the Carrier regarding the large difference in TLS support collected by VCI versus the amount collected by Verizon, AT&amp;T (formerly BellSouth) and Sprint (Embarq). (see Attachment 3) Test to make sure that VCI is not claiming Low Income support for resold lines, and then also receiving a credit for Low Income support from the underlying carrier (i.e. VCI getting \$10 per Low Income customer using resold line and then getting credit from the underlying carrier, for example AT&amp;T, thereby receiving double recovery. (see Attachment 4) The auditor should also determine the review process that is used by the carrier to ensure that accurate amounts are reported for Low Income purposes. Obtain Carrier support for all amounts shown on Form 497. In addition, test the Carriers compliance with the Florida Administrative Code for Lifeline, especially the guidelines for termination of Lifeline service. (11)</p>
<p>7 WP 22 &amp; 23</p>	<p>Record Retention        Confirm that the Carrier has complied with record retention rules and can support all underlying facts and figures reported for universal service purposes. (12)</p>
<p>8 25 26</p>	<p>Low Income Consumer Choice of Toll Limiting Service        Sec. 54.403 Lifeline support amount.        (c) Lifeline support for providing toll limitation shall equal the eligible telecommunications carrier's incremental cost of providing either toll blocking or toll control, whichever is selected by the particular consumer. Verify the</p>

8 The subscriber listing includes the customer name, address, telephone number, account number, subscription start date and disconnect date.  
 9 47 CFR 54.407(c) states that in order to receive universal service support reimbursement, the ETC must keep accurate records of the revenues it foregoes in providing Lifeline in conformity with 54.401.  
 10 47 CFR 54.411(a)(1) states that Link Up discounts provided are one-half of the customary charge, or \$30, whichever is less.  
 11 25-4.0665 Lifeline Service.  
 (1) An eligible telecommunications carrier must provide 60 days written notice prior to the termination of Lifeline service. The notice of pending termination shall contain the telephone number at which the subscriber can obtain information about the subscriber's Lifeline service from the eligible telecommunications carrier. The notice shall also inform the subscriber of the availability, pursuant to Section 364.105, F.S., of discounted residential basic local telecommunications service.  
 (2) If a subscriber's Lifeline service is terminated and the subscriber subsequently presents proof of Lifeline eligibility, the eligible telecommunications carrier shall reinstate the subscriber's Lifeline service as soon as practicable, but no later than 60 days following receipt of proof of eligibility. Irrespective of the date on which the eligible telecommunications carrier reinstates the subscriber's Lifeline service, the subscriber's bill shall be credited for Lifeline service as of the date the eligible telecommunications carrier received the proof of continued Lifeline eligibility. Specific Authority 350.127(2), 364.10(3)(j) FS. Law Implemented 364.01(4)(a), 364.10, 364.105 FS. History-New 1-2-07.  
 12 C.F.R. 47 § 54.417 (see Attachment 5)

SOURCE: to be indicated

4-3

25 26	reasonableness of the submitted incremental costs, along with evidence that the choice to have toll limited service is actually being selected by the particular Low Income consumer and is not being required by the Carrier. Form 497 must report incremental cost, not the retail value shown in the tariff. Note that incremental costs do not include joint and common costs, such as overhead and costs for services or equipment used for non-toll limitation purposes.
9 SER CD Confidential	Commercial Agreement To be granted ETC status, a Carrier must offer the services that are supported by the Federal Universal Service Support Mechanisms using its own facilities and resale of another carrier's services. An ETC cannot provide 100% of its services through resale and still be eligible for universal service support. Determine the number of VCI customers that are served either through VCI owned facilities or through network elements of another underlying Carrier. If VCI has a commercial agreement with any other Carrier in Florida, obtain a copy of this agreement. Also determine the number of VCI customers that are served through resale of another Carrier's services.
10 24	Discontinued Service It is understood that VCI has discontinued providing service in Oregon and Washington. (13) Obtain an explanation from the Carrier regarding this discontinuation of service, along with a detailed explanation of any review/investigation into the Low Income support received by the Carrier in these, or any other, state.
11 10 5	Internal Controls Obtain a Carrier description of processes related to Low Income support, specifically: <ul style="list-style-type: none"> <li>• The application process for subscribers,</li> <li>• How the subscriber becomes aware of Lifeline,</li> <li>• How the Carrier becomes aware of subscribers (upon application, qualifying agency notification, etc.)</li> <li>• Procedures for determining ineligible customers (subscriber notification, random letters to verify, etc.)</li> </ul>
12 17 2 18	Tariff Obtain and review tariff to determine that the amounts reported on the Form 497 are accurate. Determine if tariff requires Lifeline re-certification each year. Verify that Link-Up amounts claimed on Form 497 are one half of the connection charge shown in tariff.
5-7 13	Test compliance with Florida Statutes and Rules (See Attachment 6)

13 VCI STOPS OFFERING LOCAL PHONE SERVICE

Washington, D.C., December 12, 2006 (TheDigest.Com) - The following is an excerpt from a Public Notice posted by the Federal Communications Commission earlier today. A full copy of the text is located at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-06-2489A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-06-2489A1.doc). VCI was one of the few companies offering competitive local telephone service to residential customers in the states of Oregon and Washington. It mainly catered to "credit challenged" consumers and those using Universal Lifeline Service. This will give consumers in those states (yet) one less option for local telephone service. VCI also offers local telephone service in the states of Florida, Texas, Iowa, Michigan, Minnesota, New Mexico and North and South Dakota. Their website is located at <http://www.vci-company.com>. On December 4, 2006, VCI Company (VCI or Applicant), located at 2228 S. 78th Street, Tacoma, Washington 98409-9050, filed an application with the Federal Communications Commission (FCC or Commission) requesting authority to the extent necessary, under section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 63.71 of the Commission's rules, 47 C.F.R. § 63.71, to discontinue the provision of certain telecommunications services to customers located in the states of Oregon and Washington.

4-4

You replied on 10/26/2007 11:37 AM.

**Intesar Terkawi**

**From:** Lynn Deamer  
**To:** Intesar Terkawi  
**Cc:**  
**Subject:** FW:  
**Attachments:**

**Sent:** Fri 10/26/2007 10:19 AM

Docket No. 080065-TX  
Exhibit JT-2 (Page 15 of 128 )  
Non-Confidential Portion of Audit Work Papers

Include this email as part of workpaper 4 okay?

**Lynn**

**From:** Bob Casey  
**Sent:** Friday, October 26, 2007 10:18 AM  
**To:** John Mann; Lynn Deamer  
**Subject:** RE:

That's fine...thanks for the update!

**From:** John Mann  
**Sent:** Thu 10/25/2007 10:37 AM  
**To:** Lynn Deamer  
**Cc:** Bob Casey  
**Subject:** RE:

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *Extension of Due date*

*11/15/07  
IT*

that is beyond fine with me.....

**From:** Lynn Deamer  
**Sent:** Thursday, October 25, 2007 9:13 AM  
**To:** John Mann  
**Cc:** Bob Casey  
**Subject:**

Hey John,  
The Vilaire audit is due October 26, 2007. Intesar is not going to be able to make that date due to the initial week lag of start up because the company didn't want to respond and the company responses are running about a week late in the subsequent responses. Her target due date is November 15, 2007. Is this okay with you?

*Lynn M. Deamer*  
Florida Public Service Commission  
Regulatory Analyst Supervisor  
Bureau of Auditing  
ldeamer@psc.state.fl.us  
Tel: 850.413.6416  
Fax: 850.413.6417

*Approval of the analyst  
to extension due date  
11/15/07  
IT*

**Please Note:** Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Therefore, your e-mail communication may be subject to public disclosure.

**SOURCE** *As Indicated*

*4-5*

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

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

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

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.

SOURCE As Indicated

DOCUMENT NUMBER-DATE

04440 MAY 22 06

FPSC-COMMISSION CLERK



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

Docket No. 080065-TX  
Exhibit IT-2 (Page 18 of 128 )  
Non-Confidential Portion of Audit Work Paper

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;

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ORDER NO. PSC-06-0436-PAA-TX  
DOCKET NO. 060144-TX  
PAGE 4

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

- (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.

Reconciled  
to forms  
from 4/97,  
and to the  
samples of  
the subscriber  
bills - see  
wp 23

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

5-3

SOURCE As Substantiated

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.

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

( S E A L )

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *Order psc-06-0436-PAA-TX*

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.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *Order No PSC 06-0450*

*07/11  
IT*

SOURCE *As Indicated*

(6) The requested Extended Area Service shall be approved and ordered by the Commission upon a finding that a majority of all respondents in each exchange if route-by-route, or the consolidated results if so ordered, required to be surveyed vote favorably, and at least (40%) percent of all ballots sent are returned.

(7) If the vote is ordered to be route-by-route, the subscriber survey material shall state separately for each exchange to be surveyed the amount of local service rate increases.

*Specific Authority 350.127 FS. Law Implemented 364.03, 364.385(2) FS. History—New 4-14-81, Formerly 25-4.63, Amended 10-5-92.*

#### **25-4.064 Alternatives to Non-Optional Extended Area Service.**

Whenever interexchange traffic patterns are such that subscriber needs may be adequately served by alternative service offerings, or requests may not fully meet the requirements of these rules but higher than average interexchange calling may exist, the Commission may give consideration to other alternatives such as one-way Optional Calling Plans, interexchange message rate service, Usage Sensitive Pricing options, discounted toll offering, etc.

*Specific Authority 350.127(2) FS. Law Implemented 364.03, 364.14, 364.385(2) FS. History—New 4-14-81, Formerly 25-4.64, Amended 10-5-92.*

### **PART V GENERAL SERVICE PROVISIONS**

#### **25-4.066 Availability of Service.**

(1) Each telecommunications company shall provide central office equipment and outside plant facilities designed and engineered in accordance with realistic anticipated customer demands for basic local telecommunications service within its certificated area in accordance with its filed tariffs or orders of the Commission, subject to its ability to secure and provide, for reasonable expense, suitable facilities and rights for construction and maintenance of such facilities.

(2) Where central office and outside plant facilities are readily available, at least 90 percent of all requests for primary service in any calendar month shall normally be satisfied in each exchange of at least 50,00 lines and quarterly in exchanges of less than 50,000 lines within an interval of three working days after receipt of application when all tariff requirements relating thereto have been complied with, except those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

(3) If the applicant requests an installation date beyond three working days, the requested date shall be counted as day three for measurement purposes.

(4) When an appointment is made in order for the company to gain access to the customer's premises, the mutually agreed upon date will be day three for measurement purposes. Failure of the customer to be present to afford the company representative entry to the premises during the appointment period shall exempt the order for measurement purposes. Whenever a company representative is unable to gain admittance to a customer's premises during the scheduled appointment period, the company representative shall leave a notice, stating the name of the company representative and the date and time the company representative was at the premises.

(5) Each telecommunications company shall establish as its objective the satisfaction of at least 95 percent of all applications for new service in each exchange within a 30 day maximum interval and, further, shall have as its objective the capability of furnishing service within each of its exchanges to applicants within 60 days after date of application; except those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

(6) Whenever, for any reason, the service installation cannot be made at the time requested by the applicant or within the prescribed interval, the applicant shall be notified promptly of the delay and the reason therefor.

(7) Where facility additions are required to make service available, the applicant shall be further advised as to the circumstances and conditions under which service will be provided and as soon as practicable an estimated date when service will be furnished. With respect to applications aged over six months all service dates that result in a further delay due to the company's inability to meet the original estimated date of service shall be identified in the appropriate section of the report of held applications filed with the Commission and shall include an explanation of the reasons therefor.

(8) Each company shall report pursuant to Rule 25-4.0185, F.A.C. Periodic Reports, the performance of the company with respect to the availability of service requirements as outlined in Form PSC/CMP 28 (4/05), incorporated into Rule 25-4.0185, F.A.C., by reference and available from the Division of Competitive Markets and Enforcement. Each company shall explain the reasons for all service orders that are not completed within 30 calendar days.

*Specific Authority 350.127(2) FS. Law Implemented 364.025, 364.03, 364.14, 364.15, 364.183, 364.185 FS. History—Revised 12-1-68, Amended 3-31-76, Formerly 25-4.66, Amended 3-10-96, 4-3-05, 4-3-05.*

#### **25-4.067 Extension of Facilities - Contributions in Aid of Construction.**

(1) Each telecommunications company shall make reasonable extensions to its lines and service and shall include in its tariffs filed with the Commission a statement of its standard extension policy setting forth the terms and conditions under which its facilities will be extended to serve applicants for service within its certificated area.

SOURCE

As Indicated

5-6

Attachment 6  
Florida Statute/Rules For Lifeline

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

**364.0252 Expansion of consumer information programs; customer assistance; rulemaking authority.--**The Florida Public Service Commission shall expand its current consumer information program to inform consumers of their rights as customers of competitive telecommunications services and shall assist customers in resolving any billing and service disputes that customers are unable to resolve directly with the company. The commission may, pursuant to this program, require all telecommunications companies providing local or long distance telecommunications services to develop and provide information to customers. The commission may specify by rule the types of information to be developed and the manner by which the information will be provided to the customers. The Florida Public Service Commission shall undertake a comprehensive and ongoing effort to inform consumers regarding how to protect themselves in a competitive telecommunications market. Of specific concern are informing consumers concerning the availability of the lifeline and Link-Up Programs for low-income households and alerting consumers to how they can avoid having their service changed or unauthorized charges added to their telephone bills.

**History.--**s. 6, ch. 98-277; s. 3, ch. 99-354.

**364.10 Undue advantage to person or locality prohibited; lifeline service.--**

(1) A telecommunications company may not make or give any undue or unreasonable preference or advantage to any person or locality or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

(2)(a) The prohibitions of subsection (1) notwithstanding, an eligible telecommunications carrier shall provide a lifeline Assistance Plan to qualified residential subscribers, as defined in a commission-approved tariff or price list, and a preferential rate to eligible facilities as provided for in part II. For the purposes of this section, the term "eligible telecommunications carrier" means a telecommunications company, as defined by s. 364.02, which is designated as an eligible telecommunications carrier by the commission pursuant to 47 C.F.R. s. 54.201.

(b) 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.

(c) An eligible telecommunications carrier may not collect a service deposit in order to initiate lifeline service if the qualifying low-income consumer voluntarily elects toll blocking or toll limitation. If the qualifying low-income consumer elects not to place toll blocking on the line, an eligible telecommunications carrier may charge a service deposit.

(d) An eligible telecommunications carrier may not charge lifeline subscribers a monthly number-portability charge.

(e)1. An eligible telecommunications carrier must notify a lifeline subscriber of impending termination of lifeline service if the company has a reasonable basis for believing that the subscriber no longer qualifies. Notification of pending termination must be in the form of a letter that is separate from the subscriber's bill.

2. An eligible telecommunications carrier shall allow a subscriber 60 days following the date of the pending termination letter to demonstrate continued eligibility. The subscriber

must present proof of continued eligibility. An eligible telecommunications subscriber off of lifeline service, pursuant to its tariff, if the subscriber continues to meet the income eligibility test, shall retain its continued eligibility.

3. The commission shall establish procedures for such notification and termination.

(f) An eligible telecommunications carrier shall **timely credit a consumer's bill with the lifeline Assistance credit as soon as practicable, but no later than 60 days following receipt of notice of eligibility from the Office of Public Counsel or proof of eligibility from the consumer.**

(3)(a) Effective September 1, 2003, any local exchange telecommunications company authorized by the commission to reduce its switched network access rate pursuant to §s. 364.164 shall have tariffed and shall provide lifeline service to any otherwise eligible customer or potential customer who meets an income eligibility test at 135 percent or less of the federal poverty income guidelines for lifeline customers. Such a test for eligibility must augment, rather than replace, the eligibility standards established by federal law and based on participation in certain low-income assistance programs. Each intrastate interexchange telecommunications company shall, effective September 1, 2003, file a tariff providing at a minimum the intrastate interexchange telecommunications carrier's current lifeline benefits and exemptions to lifeline customers who meet the income eligibility test set forth in this subsection. The Office of Public Counsel shall certify and maintain claims submitted by a customer for eligibility under the income test authorized by this subsection.

(b) Each eligible telecommunications carrier subject to this subsection shall provide to each state and federal agency providing benefits to persons eligible for **lifeline service applications, brochures, pamphlets, or other materials that inform the persons of their eligibility for lifeline**, and each state agency providing the benefits shall furnish the materials to affected persons at the time they apply for benefits.

(c) Any local exchange telecommunications company customer receiving lifeline benefits **shall not be subject to any residential basic local telecommunications service rate increases** authorized by §s. 364.164 until the local exchange telecommunications company reaches parity as defined in §s. 364.164(5) 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 local exchange telecommunications company.

(d) An eligible telecommunications carrier **may not discontinue basic local exchange telephone service** to a subscriber who receives lifeline service because of nonpayment by the subscriber of charges for nonbasic services billed by the telecommunications company, including long-distance service. A subscriber who receives lifeline service shall be required to pay all applicable basic local exchange service fees, including the subscriber line charge, E-911, telephone relay system charges, and applicable state and federal taxes.

(e) An eligible telecommunications carrier may not refuse to connect, reconnect, or provide lifeline service because of unpaid toll charges or nonbasic charges other than basic local exchange service.

(f) An eligible telecommunications carrier may require that payment arrangements be made for outstanding debt associated with basic local exchange service, subscriber line charges, E-911, telephone relay system charges, and applicable state and federal taxes.

(g) An eligible telecommunications carrier may block a lifeline service subscriber's access to all long-distance service, except for toll-free numbers, and may block the ability to accept collect calls when the subscriber owes an outstanding amount for long-distance service or amounts resulting from collect calls. However, the **eligible telecommunications carrier may not impose a charge for blocking long-distance service**. The eligible telecommunications carrier shall remove the block at the request of the subscriber without additional cost to the subscriber upon payment of the outstanding amount. An eligible telecommunications carrier may charge a service deposit before removing the block.

(h)1. By December 31, 2007, each state agency that provides basic lifeline service shall undertake, in cooperation with the Department of Public Services, the Department of Education, the commission, the Office of Public Counsel and the telecommunications companies providing lifeline services, the development of procedures to promote lifeline participation.

2. If any state agency determines that a person is eligible for lifeline services, the agency shall immediately forward the information to the commission to ensure that the person is automatically enrolled in the program with the appropriate eligible telecommunications carrier. The state agency shall include an option for an eligible customer to choose not to subscribe to the lifeline service. The Public Service Commission and the Department of Children and Family Services shall, no later than December 31, 2007, adopt rules creating procedures to automatically enroll eligible customers in lifeline service.

3. The commission, the Department of Children and Family Services, and the Office of Public Counsel shall enter into a memorandum of understanding establishing the respective duties of the commission, the department, and the public counsel with respect to the automatic enrollment procedures no later than December 31, 2007.

(i) The commission shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year on the number of customers who are subscribing to lifeline service and the effectiveness of any procedures to promote participation.

(j) The commission shall adopt rules to administer this section.

**History.**--s. 10, ch. 6525, 1913; RGS 4402; CGL 6366; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 12, 32, ch. 80-36; s. 2, ch. 81-318; ss. 6, 7, ch. 89-163; ss. 17, 48, 49, ch. 90-244; s. 4, ch. 91-429; s. 13, ch. 95-403; s. 10, ch. 2003-32; s. 16, ch. 2005-132; s. 11, ch. 2007-29.

<sup>1</sup>**Note.**--Repealed by s. 14, ch. 2007-29.

**364.105 Discounted rate for basic service for former lifeline subscribers.**--Each local exchange telecommunications company shall offer discounted residential basic local telecommunications service at 70 percent of the residential local telecommunications service rate for any lifeline subscriber who no longer qualifies for lifeline. A lifeline subscriber who requests such service shall receive the discounted price for a period of 1 year after the date the subscriber ceases to be qualified for lifeline. In no event shall this preclude the offering of any other discounted services which comply with ss. 364.08, 364.09, and 364.10.

**History.**--s. 3, ch. 98-277.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description Florida statute/Reg. for lifeline

<sup>1</sup>**364.107 Public records exemption; lifeline Assistance Plan participants.**--

(1) Personal identifying information of a participant in a telecommunications carrier's lifeline Assistance Plan under s. 364.10 held by the Public Service Commission is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(2) Information made confidential and exempt under subsection (1) may be released to the applicable telecommunications carrier for purposes directly connected with eligibility for, verification related to, or auditing of a lifeline Assistance Plan.

(3)(a) An officer or employee of a telecommunications carrier shall not intentionally disclose information made confidential and exempt under subsection (1), except as:

1. Authorized by the customer;

SOURCE Florida statute/Reg. for lifeline

2. Necessary for billing purposes;
3. Required by subpoena, court order, or other process of court;
4. Necessary to disclose to an agency as defined in s. 119.011 or a governmental entity for purposes directly connected with implementing service for, or verifying eligibility of, a participant in a lifeline Assistance Plan or auditing a lifeline Assistance Plan; or
5. Otherwise authorized by law.

(b) Nothing in this section precludes a telecommunications carrier from disclosing information made confidential and exempt under subsection (1) to the extent such information is otherwise publicly available or from disclosing to a customer his or her own account record through telephonic means.

(c) Any officer or employee of a telecommunications carrier who intentionally discloses information in violation of paragraph (a) commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(4) This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2012, unless reviewed and saved from repeal through reenactment by the Legislature.

**History.**--s. 1, ch. 2007-247.

<sup>1</sup>**Note.**--Section 2, ch. 2007-247, provides that "[t]he Legislature finds that it is a public necessity that personal identifying information of a participant in a telecommunications carrier's lifeline Assistance Plan under s. 364.10, Florida Statutes, held by the Public Service Commission be made confidential and exempt from s. 119.07(1), Florida Statutes, and s. 24(a), Art. I of the State Constitution. The lifeline Assistance Plan provides assistance to qualified low-income households by providing a credit on their local telephone bill. Allowing qualified low-income households to receive this credit permits them to maintain local telephone service. Participation in lifeline Assistance Plans has remained at approximately 12 percent of eligible Florida households despite extensive efforts to make eligible citizens aware of the plan. Protecting the personal identifying information of participants in a lifeline Assistance Plan will encourage qualified citizens to apply for the credit offered under the plan. The Public Service Commission must be able to maintain the confidentiality of that information because disclosure could create a chilling effect on participation. There is a strong likelihood that participants might choose not to avail themselves of the plan because the information submitted would identify them as qualified recipients of low-income program benefits. Finally, without the exemption, the effective and efficient administration of a government program would be hindered."

#### **364.604 Billing practices.--**

(1) Each billing party must clearly identify on its bill the name and toll-free number of the originating party; the telecommunications service or information service billed; and the specific charges, taxes, and fees associated with each telecommunications or information service. The originating party is responsible for providing the billing party with all required information. The toll-free number of the originating party or its agent must be answered by a customer service representative or a voice response unit. If the customer reaches a voice response unit, the originating party or its agent must initiate a response to a customer inquiry within 24 hours, excluding weekends and holidays.

(2) A customer shall not be liable for any charges for telecommunications or information services that the customer did not order or that were not provided to the customer.

(3) Every billing party shall provide a free blocking option to a customer to block 900 or 976 telephone calls.

(4) **A billing party shall not disconnect a customer's lifeline local service if the charges, taxes, and fees applicable to basic local exchange telecommunications service are paid.**

(5) Pursuant to s. 120.536, the commission may adopt rules to implement this section.

**History.** s. 7, ch. 98-277; s. 38, ch. 2005-2.

**SOURCE:** ~~Florida Statutes~~ s. 364.10 for lifeline

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Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

§54.413

47 CFR Ch. I (10-1-05 Edition)

**§54.413 Reimbursement for revenue forgone in offering a Link Up program.**

(a) Eligible telecommunications carriers may receive universal service support reimbursement for the revenue they forgo in reducing their customary charge for commencing telecommunications service and for providing a deferred schedule for payment of the charges assessed for commencing service for which the consumer does not pay interest, in conformity with §54.411.

(b) In order to receive universal service support reimbursement for providing Link Up, eligible telecommunications carriers must keep accurate records of the revenues they forgo in reducing their customary charge for commencing telecommunications service and for providing a deferred schedule for payment of the charges assessed for commencing service for which the consumer does not pay interest, in conformity with §54.411. Such records shall be kept in the form directed by the Administrator and provided to the Administrator at intervals as directed by the Administrator or as provided in this subpart. The forgone revenues for which the eligible telecommunications carrier may receive reimbursement shall include only the difference between the carrier's customary connection or interest charges and the charges actually assessed to the participating low-income consumer.

**§54.415 Consumer qualification for Link Up.**

(a) In a state that mandates state Lifeline support, the consumer qualification criteria for Link Up shall be the same as the criteria that the state established for Lifeline qualification in accord with §54.409(a).

(b) In a state that does not mandate state Lifeline support, the consumer qualification criteria for Link Up shall be the criteria set forth in §54.409(b).

(c) Notwithstanding paragraphs (a) and (b) of this section, an eligible resident of Tribal lands, as defined in §54.400(e), shall qualify to receive Link Up support.

[65 FR 47906, Aug. 4, 2000]

**§54.416 Certification of consumer Qualification for Link Up.**

Consumers qualifying under an income based criterion must present documentation of their household income prior to enrollment in Link Up consistent with requirements set forth in §§54.410(a) and (b).

[69 FR 34601, June 22, 2004]

EFFECTIVE DATE NOTE: At 69 FR 34601, June 22, 2004, §54.416 was added. This section contains information collection and record keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

**§54.417 Recordkeeping requirements.**

(a) Eligible telecommunications carriers must maintain records to document compliance with all Commission and state requirements governing the Lifeline/Link Up programs for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request.

Notwithstanding the preceding sentence, eligible telecommunications carriers must maintain the documentation required in §§54.409(d) and 54.410(b)(3) for as long as the consumer receives Lifeline service from that eligible telecommunications carrier or until audited by the Administrator. If an eligible telecommunications carrier provides Lifeline discounted wholesale services to a reseller, it must obtain a certification from that reseller that it is complying with all Commission requirements governing the Lifeline/Link Up programs.

(b) Non-eligible-telecommunications-carrier resellers that purchase Lifeline discounted wholesale services to offer discounted services to low-income consumers must maintain records to document compliance with all Commission requirements governing the Lifeline/Link Up programs for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request. To the extent such a reseller provides discounted services to low-income consumers, it constitutes the eligible telecommunications carrier referenced in

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

Federal Communications Commission

§ 54.500

§§ 54.405(c), 54.405(d), 54.409(d), 54.410,  
and 54.416.

[69 FR 34601, June 22, 2004]

**EFFECTIVE DATE NOTE:** At 69 FR 34601, June 22, 2004, §54.417 was added. This section contains information collection and record-keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

**Subpart F—Universal Service  
Support for Schools and Libraries**

**§ 54.500 Terms and definitions.**

(a) *Billed entity.* A "billed entity" is the entity that remits payment to service providers for services rendered to eligible schools and libraries.

(b) *Educational purposes.* For purposes of this subpart, activities that are integral, immediate, and proximate to the education of students, or in the case of libraries, integral, immediate and proximate to the provision of library services to library patrons, qualify as "educational purposes." Activities that occur on library or school property are presumed to be integral, immediate, and proximate to the education of students or the provision of library services to library patrons.

(c) *Elementary school.* An "elementary school" is a non-profit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under state law.

(d) *Library.* A "library" includes:

- (1) A public library;
- (2) A public elementary school or secondary school library;
- (3) An academic library;
- (4) A research library, which for the purpose of this section means a library that:

(i) Makes publicly available library services and materials suitable for scholarly research and not otherwise available to the public; and

(ii) Is not an integral part of an institution of higher education; and

(5) A private library, but only if the state in which such private library is located determines that the library should be considered a library for the purposes of this definition.

(e) *Library consortium.* A "library consortium" is any local, statewide, regional, or interstate cooperative asso-

ciation of libraries that provides for the systematic and effective coordination of the resources of schools, public, academic, and special libraries and information centers, for improving services to the clientele of such libraries. For the purposes of these rules, references to library will also refer to library consortium.

(f) *Lowest corresponding price.* "Lowest corresponding price" is the lowest price that a service provider charges to non-residential customers who are similarly situated to a particular school, library, or library consortium for similar services.

(g) *Master contract.* A "master contract" is a contract negotiated with a service provider by a third party, the terms and conditions of which are then made available to an eligible school, library, rural health care provider, or consortium that purchases directly from the service provider.

(h) *Minor contract modification.* A "minor contract modification" is a change to a universal service contract that is within the scope of the original contract and has no effect or merely a negligible effect on price, quantity, quality, or delivery under the original contract.

(i) *National school lunch program.* The "national school lunch program" is a program administered by the U.S. Department of Agriculture and state agencies that provides free or reduced price lunches to economically disadvantaged children. A child whose family income is between 130 percent and 185 percent of applicable family size income levels contained in the nonfarm poverty guidelines prescribed by the Office of Management and Budget is eligible for a reduced price lunch. A child whose family income is 130 percent or less of applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget is eligible for a free lunch.

(j) *Pre-discount price.* The "pre-discount price" means, in this subpart, the price the service provider agrees to accept as total payment for its telecommunications or information services. This amount is the sum of the amount the service provider expects to

**Intesar Terkawi**

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**From:** Intesar Terkawi  
**Sent:** Tuesday, October 02, 2007 2:50 PM  
**To:** Lynn Deamer  
**Subject:** FW: Missing Documents

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**From:** vilaine@comcast.net [mailto:vilaine@comcast.net]  
**Sent:** Tue 10/2/2007 2:36 PM  
**To:** Intesar Terkawi  
**Cc:** Stanley Johnson  
**Subject:** Re: Missing Documents

We provided the 497's and the detailed customer list that supports the billing for the 497's, I still don't know what it is you are asking for that hasn't been provided?

Sent from my iPhone

On Oct 2, 2007, at 11:28 AM, "Intesar Terkawi" <ITerkawi@PSC.STATE.FL.US> wrote:

I need transactions detail file that supports the amounts in DETAIL. I do not need the records for USAC payments. I need the detiled transactions file that you use to request the payments from USAC.

*Intesar Terkawi, CPA  
Regulatory Analyst  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
Voice Mail: (850) 413-6834  
Fax: (850) 413-6835  
Office: (407) 327-9364  
iterkawi@psc.state.fl.us*

Please Note: Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Therefore, your e-mail communication may be subject to public disclosure.

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**From:** vilaine@comcast.net [mailto:vilaine@comcast.net]  
**Sent:** Tue 10/2/2007 12:39 PM  
**To:** Intesar Terkawi  
**Subject:** RE: Missing Documents

I don't understand what it is you are looking for. As discussed previously, we use quickbooks and post the USAC payments directly to quickbooks in their entirety. We do not have any additional records for USAC payments.

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Docket No. 080065-TX  
Exhibit IT-2 (Page 30 of 128 )  
Non-Confidential Portion of Audit Work Papers

**From:** Intesar Terkawi [mailto:ITerkawi@PSC.STATE.FL.US]  
**Sent:** Tuesday, October 02, 2007 5:35 AM  
**To:** vilair@comcast.net  
**Cc:** Lynn Deamer  
**Subject:** RE: Missing Documents

Good Morning Stan,

The spread sheet you e-mailed to me has the exact amounts that are on forms FCC497, what I need is BOTH, the Billing Register sent electronically to me, and the

General Ledger, that has the details of the amounts reported on the forms FCC497, sent electronically to me.

Thank you for your help in this matter.

*Intesar Terkawi, CPA  
Regulatory Analyst  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
Voice Mail: (850) 413-6834  
Fax: (850) 413-6835  
Office: (407) 327-9364  
iterkawi@psc.state.fl.us*

Please Note: Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Therefore, your e-mail communication may be subject to public disclosure.

5-14

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

## Intesar Terkawi

**From:** Intesar Terkawi  
**To:** vilaire@comcast.net  
**Cc:** Lynn Deamer  
**Subject:** RE: General Ledger  
**Attachments:**  Copy of FL Fed Dep.xls(31KB)

**Sent:** Tue 10/30/2007 9:56 AM  
Docket No. 080065-TX  
Exhibit IT-2 (Page 31 of 128 )  
Non-Confidential Portion of Audit Work Papers

Hello Stan,

Attached is the journal ledger that you sent me, and that is supposed to reconcile to the FCC-497 forms filing. The first two months June and July 2006 in the general ledger reconciled to the Forms FCC-497 filing, but the rest of the months do not, please explain the reason. Thanks.

**Intesar Terkawi, CPA**  
**Regulatory Analyst**  
**Florida Public Service Commission**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, FL 32399-0850**  
**Voice Mail: (850) 413-6834**  
**Fax: (850) 413-6835**  
**Office: (407) 327-9364**  
**iterkawi@psc.state.fl.us**

Please Note: Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Therefore, your e-mail communication may be subject to public disclosure.

---

**From:** vilaire@comcast.net [mailto:vilaire@comcast.net]  
**Sent:** Mon 10/1/2007 2:18 PM  
**To:** Intesar Terkawi  
**Cc:** stanj@vcicompany.com  
**Subject:** RE: Missing Documents

Hello Intesar,

See attached spreadsheet showing ledger entries in quickbooks that support the amounts stated in the forms FCC497 for the period requested in part 2 of Request No. 1.

Thank you,

Stan Efferding

5-15

---

**From:** Intesar Terkawi [mailto:ITerkawi@PSC.STATE.FL.US]  
**Sent:** Thursday, September 27, 2007 11:48 AM

**To:** vilaire@comcast.net  
**Cc:** Lynn Deamer  
**Subject:** Missing Documents

Docket No. 080065-TX  
Exhibit IT-2 (Page 32 of 128 )  
Non-Confidential Portion of Audit Work Papers

Hello Stan,

In your answer to Document Request No. 1, you supported the documents needed for item 1, but you failed to support the documents needed for item 2. Can you please provide the documents needed in item 2, electronically, and in a hard copy. Thanks.

*Intesar Terkawi, CPA  
Regulatory Analyst  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850  
Voice Mail: (850) 413-6834  
Fax: (850) 413-6835  
Office: (407) 327-9364  
iterkawi@psc.state.fl.us*

**Please Note:** Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Therefore, your e-mail communication may be subject to public disclosure.

5-16

COMPANY: Vilare Communications, Inc. (VCI)  
 TITLE: Phone Audit  
 PERIOD: 2006 - 2007  
 DATE: 21-Sep-07

AUDIT MANAGER: Intesar Terkawi

*Handwritten initials and date: IT 9/27*

	ESTIMATED HOURS	ACTUAL HOURS	INITIALS	WORK PAPER NUMBER
I. PRE-FIELD WORK PLANNING AND PROCEDURES				
A. OBJECTIVES				
1 To ensure that the audit is properly planned.				
2 To ensure that the staff has sufficient technical training, proficiency, and knowledge of the subject matter required for the audit.				
3 To gain an understanding of the audit requirements and company operations				
4 To ensure that the staff is independent.				
B. PROCEDURES				
1 Read as applicable.				
a. Permanent and correspondence files (update as necessary)				
b. Prior orders		0.5	IT	5 Series
c. Commission Rules and Regulations		0.5	IT	5 Series
d. Uniform Systems of Accounts (USOA)				
e. Review any internal audits or notes from last audit				
f. Review exhibits and testimony filed, if any.		1	IT	Not Included
g. Review company annual reports				
h. Review ASR		0.5	IT	4
i. Review 47 CFR Parts 32, 36 and 54				
j. Review prior audits				
2 Read and review current confidential information procedures and update the log throughout the audit				
a. Rule 25-22 006, F.A.C., CONFIDENTIAL INFORMATION (Required in FPSC APM 11.04.C.2.d.				
b. FPSC Administrative Procedures Manual Chapter 11.04				
c. Read confidential memo dated 2/15/94 from D. Vandiver.				
d. Confidential Procedures in Audit Manual:				
(1) Maintain a detailed log for the RECEIPT and DISPOSITION of all confidential materials received from the Company on Work paper 11. Maintain a listing of all Auditor created pages containing conf. info.				
(2) At the end of field work, have the Utility representative examine each page of the marked work papers to determine if any can be declassified. Any documents and work papers which contain confidential information and which are not returned to the Utility must be placed in the confidential binder. A copy of each confidential work paper will be made for the utility				
(3) The original work papers (confidential work papers and CDs) will be transmitted to Tallahassee. No confidential information will be retained in the District Office. The District Office will retain a copy of the non-confidential CDs and work papers.				
3 Discuss matters that may affect the audit with other Commission staff members, as appropriate.				
a. Analyst: John Mann				
b. Date 1st contacted: September 17, 2007				
4 Determine EDP data to be used and analyzed.				
a. Prepare initial EDP requests to obtain EDP data.				
5 Write the audit program using steps in the audit manual guidelines, the Audit Service request and similar audits				
6 Prepare a TIME BUDGET:				
a. Estimated audit hours				
b. Estimated travel hours				
c. Total hours required for audit				
7 Establish the timing of audit work by estimating the following dates				
a. Begin field work: September 14, 2007				
b. End field work: November 6th, 2007				
c. Supervisor interim review				
d. Audit exit conference if required				
e. Fax "Draft Report" to Tallahassee				
f. Supervisor final review				
g. Mail to Tallahassee				
h. Due date in Tallahassee				
8 Hold a pre-audit conference with company management. Discuss the timing of the audit and review, expected completion and exit dates. Determine the the company representative responsible for our audit requests. Issue standard document requests and create and update request log				
a. Company Contact				
b. Telephone No. (205) 419-5948				
c. Meet with company to determine status of requests				

SOURCE AS Indicated

COMPANY: Vitare Communications, Inc. (VCI)  
 TITLE: Phone Audit  
 PERIOD: 2006 - 2007  
 DATE: 21-Sep-07

AUDIT MANAGER: Intesar Terkawi

	ESTIMATED HOURS	ACTUAL HOURS	INITIALS	WORK PAPER NUMBER
throughout the audit				
d. Update log.				
9 Perform Analytical Review procedures to determine if there are any material changes or inconsistencies and to assist in assessing risk. If yes: a. Ask company to explain b. Determine if any additional audit procedures are required				
10 Review filing to determine which schedules need to be used as lead schedules and to obtain information for various sections.				
11 Write initial requests to start the audit.				
12 Assign work and organize data to give to auditors based on the auditors skills and capabilities.				
13 Read Interrogatories to determine if any information is useful to the audit.				
14 Prepare Risk Assessment worksheet and determine effect on program.				
15 Document auditor independence by having each auditor assigned initial this program for the following:				
	Auditor 1			
	(Intesar Terkawi)			
a I do not have any professional, personal, financial or official relationships with the company being audited. (Excluding an ordinary customer relationship with the utility)	IT			
b. I do not hold a position of influence in a group that is biased for or against this company.	IT			
c. I have not approached the company or negotiated salary for a position in the last ninety days	IT			
d. I have not accepted any gifts from any member of the company. (excludes any family member who worked for the company prior to hire and involves no intent to influence the case)	IT			
e. I do not own any stock in the company.	IT			
II. FIELD WORK				
A. OBJECTIVES				
OBJECTIVE:				
To determine whether the Carrier has submitted accurate underlying company data for the calculation of Universal Service support for the years 2005 through 2006				
Obtain and review the following documents from the Carrier/ETC for timely submission and completeness				
1				
a. General Ledgers 2006 - 2007		1	IT	12
b. Eligible Telecommunications Carrier Designation Order ASR 1		1	IT	5
c. State Certification Letters (2006 - 2007) ASR 1				N/A
d. Evidence of advertisement (2006 - 2007) ASR 1		1	IT	15
2 Verify the filings with NECA/USAC				
a. FPSC Annual RAF filings ( 2006), FCC 497, FCC 499-Q, FCC 499-A ASR 2 Advertising Expense - Obtain and verify support of advertisement expense		8	IT	18, 19, 20
b. ASR 3 Termination - Obtain and verify that VCI allow 60 days before termination of ineligible subscribers ASR 4		30	IT	15 Series
c. Line Count - Confirm that duplicate telephone numbers are not included in the subscribers listings, nor that the Carrier misclassified single-line business, multi-line business and residential. ASR 5		15	IT	21 Series
d. Record Support - Examine financial and billing records to support the amounts reported to USAC for LifeLine and LinkUp reimbursement and test selected samples ASR 6		40	IT	22
e. Records Retention - Confirm that the Carrier has complied with record retention rules and can support all underlying facts and figures reported for universal service purposes ASR 7		35	IT	23 Series
f. Low income Consumer Choice of Toll Limiting Service - verify the reasonableness of the submitted incremental costs along with the evidence that the choice to have toll limited service is being selected by the consumer, and is not being required by the Carrier. ASR 8		4	IT	N/A
g. Commercial Agreement - Obtain a copy of the agreement, and verify that VCI does not provide 100% of its services through resale and still be eligible for universal service support. ASR 9		30	IT	25 Series & 26 Series
h. Discontinued Service - Obtain an explanation from the Carrier regarding discontinuation of Service in Oregon and Washington, or any other state ASR 10		10	IT	Confidential CD
i. Internal Controls - Obtain a Carrier description of the application process for subscribers, how the subscribers become aware of LifeLine, and how the Carrier becomes aware of the subscribers, and the procedures for determining ineligible customers. ASR 11		10	IT	24 Series
k. Tariff - Obtain and review the tariff to determine that the amounts reported on the Form 497 are accurate ASR 12		8	IT	15-Oct
l. Test compliance with Florida Statutes and Rules for LifeLine ASR 13		15	IT	17 & 18 Series
m. Test compliance with Florida Statutes and Rules for LifeLine ASR 13		2	IT	

SOURCE As Indicated

COMPANY: Vlaisre Communications, Inc. (VCI)  
 TITLE: Phone Audit  
 PERIOD: 2006 - 2007  
 DATE: 21-Sep-07

AUDIT MANAGER: Intesar Terkawi

	ESTIMATED HOURS	ACTUAL HOURS	INITIALS	WORK PAPER NUMBER
<b>III. REVIEW AND FINALIZATION PROCEDURES</b>				
<b>A. OBJECTIVES</b>				
To determine if the audit staff fully understands the audit requirements and is competent to perform the audit, to determine if the auditor is exercising professional skepticism, to determine if the auditor properly documented evidential matter and properly reported the audit findings, and to properly account for all confidential work papers.				
<b>B. PROCEDURES</b>				
<b>1 REVIEW PROCESS</b>				
a. Submit audit work papers to supervisor for interim reviews.				
b. Review work program and work performed to determine if auditor fully understands the audit request and is progressing as expected.				
c. Review the audit for compliance with section 2501 of the audit manual.				
(1) Annotate WP 2 to appropriate audit work papers.				
(2) Auditors and supervisors must initial and date work papers				
(3) Reviewer must ensure that summary and/or lead schedules are used to describe procedures performed and all findings.				
d. Prepare Draft Audit Report. 40 IT 1				
e. Summarize audit and travel hours for all work paper sections.				
f. Annotate Audit Service Request with: 2 IT 4				
(1) Audit Program step that accomplishes Analyst requests.				
(2) Work paper references to actual work performed.				
g. Supervisor Review and make corrections				
h. Annotate WP-1 Audit Report 1 IT 1				
i. Fax to Bureau Chief and make necessary corrections.				
j. If EDP section used, provide feedback regarding services provided.				
<b>2 Audit Exit Conference (only if confidential information provided by company)</b>				
a. List and copy all confidential materials that will be retained.				
b. Update WP 11 indicating which materials are retained and which are returned.				
c. Prepare Audit Exit Conference letter				
(1) Include date of exit conference.				
(2) Include notification of 21 day filing period and Rule 25-22.006 FAC				
(3) Attach a clear listing and count of confidential pages.				
(4) Review copies provided to company to verify they are clear and readable.				
(5) Place original audit work papers in red binder.				
d. Schedule Audit Exit conference and transmit letter and copies to company.				
(1) Obtain company representative signature that letter and copies received.				
<b>3 If EDP section used, provide feedback regarding services provided.</b>				
<b>TOTAL</b>				
Available Hours 0 255.5				
Travel				
Supervisor Hours				
<b>4 Identify standard tick marks used in the audit.</b>				
a Traced to general ledgers 7				
b Computed 2				
c Recomputed by auditor 2				
d Foot T				
e Cross - Foot TT				

SOURCE As Indicated



FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 37 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding  
Utility: Vilaire Communications, Inc.  
FROM: Intesar Terkawi  
(Auditor Preparing Request)

DATE OF REQUEST: Sep. 14, 2007  
Due Date : Sep 18, 2007

REQUEST NUMBER: 1

AUDIT PURPOSE: \_\_\_\_\_

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: \_\_\_\_\_

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

1. Please provide a list of names, addresses, account number, and phone numbers for the customers reported on the form FCC497 for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007.
2. Please provide the billing system and the G/L that support the amounts stated in the forms FCC497 for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *Vilaire Communications, Inc. 11/04 IT*

THE REQUESTED RECORD OR DOCUMENTATION:

- |     |   |
|-----|---|
| (1) | HAS BEEN PROVIDED TODAY   |
| (2) | CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY  |
| (3) | AND IN MY OPINION, ITEM(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C. |
| (4) | THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)  |

SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor)  
Copy: Audit File and FPSC Analyst

SOURCE As indicated

10-1

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 38 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding  
Utility: Vilaire Communications, Inc.  
FROM: Intesar Terkawi  
(Auditor Preparing Request)

DATE OF REQUEST: Sep. 14, 2007  
Due Date : Sep 19, 2007

REQUEST NUMBER: 2

AUDIT PURPOSE:

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY:

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

1. Please provide The following forms that were filed with the FCC for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007: Form 497, Form 499-Q, and form 499-A.
2. Please provide the annual filings and correspondence that were filed with USAC for the period ended June 30<sup>th</sup> 2007.
3. Please provide the annual filings that were filed with NECA.

THE REQUESTED RECORD OR DOCUMENTATION:

(1)	HAS BEEN PROVIDED TODAY
(2)	CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY
(3)	AND IN MY OPINION, ITEM(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
(4)	THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)
	SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor)  
Copy: Audit File and FPSC Analyst

10-2

SOURCE As Indicated

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

10-3  
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Docket No. 080065-TX  
Exhibit IT-2 (Page 39 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding  
Utility: Vilaire Communications, Inc.  
FROM: Intesar Terkawi  
(Auditor Preparing Request)

DATE OF REQUEST: Sep. 14, 2007  
Due Date : Sep 19, 2007

REQUEST NUMBER: 3

AUDIT PURPOSE:

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY:

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

1. Please provide documentations to support your advertisements for your Services as supported by the Federal Universal Service Support Mechanisms for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007. Thanks.

THE REQUESTED RECORD OR DOCUMENTATION:

- |     |   |
|-----|---|
| (1) | HAS BEEN PROVIDED TODAY   |
| (2) | CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY  |
| (3) | AND IN MY OPINION, ITEM(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C. |
| (4) | THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)  |
- SIGNATURE AND TITLE OF RESPONDENT
- \_\_\_\_\_

Distribution: Original: Utility (for completion and return to Auditor)  
Copy: Audit File and FPSC Analyst

SOURCE to be submitted

10-3

**VCI**  
**Company**

P.O. Box 98907  
Lakewood, WA 98196-8907  
Phone (800) 973-8375  
Fax (253) 475-6328

Via Overnight Delivery

October 25, 2007

Intesar Terkawi, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *Company response*  
*10/29/07*

Re: Audit Control No. 07-250-1-2  
Revised Advertising Spreadsheet and Resubmitted Advertising Invoices

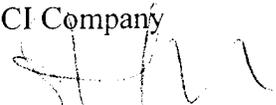
Dear Ms. Terkawi:

Enclosed, in a sealed envelope, is a CD-ROM with a copy of your advertising excel spreadsheet revised with additional advertising figures. We have also submitted additional copies of advertising invoices we believe were previously submitted as part of Attachment C. The additional invoices are inserted into the spreadsheet under the applicable television station by invoice number.

Questions regarding this filing may be directed to me at (253) 973-2476 or [stanj@vilaire.com](mailto:stanj@vilaire.com).

Sincerely,

VCI Company

  
Stanley Johnson  
President

SOURCE



10-3

1

FLOR. A PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 41 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 4

DATE OF REQUEST: September 14, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: September 19, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide proper documents showing that you allow your subscribers 60 days following the date of impending termination when you have the basis to believe that the subscriber does not meet the life-ling qualifying criteria. Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

\_\_\_\_\_  
(SIGNATURE AND TITLE OF RESPONDENT)

10-4

FLOR. A PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 42 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 5

DATE OF REQUEST: September 14, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: September 19, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide a copy of any commercial agreement you have with another carrier in Florida. Thanks

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-5

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 43 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 6

DATE OF REQUEST: September 14, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: September 19, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide an explanation for the difference in TLS support collected by your company versus the TLS amount collected by other carriers like Verison, At&t and Embarq. Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-6



11/28

**FLORIDA PUBLIC SERVICE COMMISSION**  
**AUDIT DOCUMENT/RECORD REQUEST**  
**NOTICE OF INTENT**

Docket No. 080065-TX  
Exhibit IT-2 (Page 45 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 8 DATE OF REQUEST: September 14, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: September 19, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide a description of the following steps regarding the Low-Income Support Program:

1. The application process for subscribers.
2. How the subscriber becomes aware of LifeLine program.
3. How your company becomes aware of subscribers (upon application, qualifying agency notification, etc. )
4. Procedures for determining ineligible customers.

Thanks.

TO: AUDIT MANAGER DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated (SIGNATURE AND TITLE OF RESPONDENT)

10-8

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 46 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 9

DATE OF REQUEST: September 17, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: September 20, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. Please provide a list of customers names, account number, phone numbers, addresses, that are served by your own facilities.
2. Please provide a list of customers names, account number, phone numbers, addresses, that are served through network elements of another underlying Carrier.
3. Please provide a list of customers names, account numbers, phone numbers, addresses, that are served through resale of another Carrier's services.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated (SIGNATURE AND TITLE OF RESPONDENT)

10-9

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 47 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 10

DATE OF REQUEST: September 26, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 1, 20, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. Please provide an electronic copy – preferably in Excel Format- of your general ledger for the period from 1<sup>st</sup> June, 2007 until June 30<sup>th</sup>, 2007.
  2. Please provide an electronic copy – preferably in Excel Format – of your customers names, addresses, account number, Phone numbers, that are reported in the Forms FCC497 for the period from June 1<sup>st</sup> 2007, until June 30<sup>th</sup> 2007.
- Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As indicated (SIGNATURE AND TITLE OF RESPONDENT)

10-10

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 48 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 11

DATE OF REQUEST: October 03, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 08, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. In your answer to document request No.3 you provided a program log from each WCWJ-TV, WBFS-TV, and WSFL-TV, Please provide two invoices for the months of November 2006, January 2007, and May 2007 from each of the broadcasting station.

2. Please provide the text that was used by each station to advertise your services to the public.

Thanks.

TO: AUDIT MANAGER DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-11

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 49 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 12

DATE OF REQUEST: October 03, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 08, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. Please provide a detailed walk-through regarding your reporting procedure to USAC.
2. Please provide documentation that was used to compile the filing for Universal Service Reimbursement.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

\_\_\_\_\_  
(SIGNATURE AND TITLE OF RESPONDENT)

Distribution: SOURCE As Indicated Original: Utility (for completion and return to Auditor) Copy: Audit File

10-12

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 50 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 13

DATE OF REQUEST: October 03, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 08, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1. Please provide the applicable monthly bill for each customer on the attached lists.  
  
Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-13

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLOR. A PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 51 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 14

DATE OF REQUEST: October 03, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 08, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

In the Toll Limitation Services (TLS) section of the form FCC 497, there is an amount of \$10.94 for the month of June 2006, an amount of \$8.006503 for the month of July 2006, and an amount of \$4.368223 for the month of May 2007, please provide the details and source of these numbers that make up the above stated amounts for these three stated months.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated (SIGNATURE AND TITLE OF RESPONDENT)

10-14

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 52 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 15

DATE OF REQUEST: October 03, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 08, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: 9 INCIDENT TO AN INQUIRY  
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide a list of VCI customers that are served through resale of another Carrier's services.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) 9 HAS BEEN PROVIDED TODAY
- (2) 9 CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3) 9 AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) 9 THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_  
(SIGNATURE AND TITLE OF RESPONDENT)

10-15

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

11/3

**FLORIDA PUBLIC SERVICE COMMISSION**  
**AUDIT DOCUMENT/RECORD REQUEST**  
**NOTICE OF INTENT**

Docket No. 080065-TX  
Exhibit IT-2 (Page 53 of 128 )  
Non-Confidential Portion of Audit Work Papers

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 16

DATE OF REQUEST: October 17, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 22, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

The RAF (Regulatory Assessment Fee) return filed with the Commission for the year ended December 31, 2006, the company reported revenue of \$64,448.30, less amounts paid to Other Telecommunications Companies of \$47,320.

In the G/I, provided to audit staff in response to Document Request No.1, the company reported an income of \$225,345 for the last six months of the year 2006.

Please reconcile the GL provided to the RAF. Are the revenues presented in the provided General Ledger included on the RAF? Include detail describing the type of revenue and the amounts represented on both the RAF and the General Ledger provided. Include Account numbers and dates.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-16

FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 54 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 17

DATE OF REQUEST: October 17, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 22, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please provide the USF Data Collection Forms for the period from June 1<sup>st</sup>, 2006 until June 30<sup>th</sup> 2007.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-17



FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 56 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding UTILITY: Vilaire Communications, Inc  
AUDIT MANAGER: Intesar Terkawi PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us  
REQUEST NUMBER: 19 DATE OF REQUEST: October 17, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 22, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

In your response to document request No. 14, you stated that there are Recurring and Non-Recurring costs. Please explain in details detail what costs are included in the recurring and non-recurring costs. i.e. does it include joint and common costs, such as overhead and costs for services, does it include equipment costs, Please be very specific, and explain how the incremental costs were derived.

Also in your response to document request No. 14, you provided the tariff of one carrier, is he the only carrier you are using, or do you deal with another carrier, please explain.

TO: AUDIT MANAGER DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated  
\_\_\_\_\_  
(SIGNATURE AND TITLE OF RESPONDENT)

10-19

10/17

**FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT**

Docket No. 080065-TX  
Exhibit IT-2 (Page 57 of 128)  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 20

DATE OF REQUEST: October 18, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 22, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please reconcile the advertisement costs to General Ledger for the period from June 1<sup>st</sup>, 2006 until June 30<sup>th</sup>, 2007.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated  
\_\_\_\_\_  
(SIGNATURE AND TITLE OF RESPONDENT)

10-20



FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

W-9

Docket No. 080065-TX  
Exhibit IT-2 (Page 59 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 22

DATE OF REQUEST: October 18, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 22, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

In the company response to document request No. 9, the customers names, addresses, phone numbers were listed. Please affirm if these customers are single line, or multi-line business and residential in the State of Florida.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

10-22

FLOR. A PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 60 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vialite Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 23

DATE OF REQUEST: October 18, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 23, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Please explain the mechanism that the company uses to determine the customers eligible for Low Income Program consideration.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

10-23

SOURCE As Indicated (SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLORENCE PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 61 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 24

DATE OF REQUEST: October 22, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 25, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

In your response to document request No. 2, the company provided the FCC Forms 499-Q, and 499-A. Please provide the detailed documentation to support the dollar amounts shown on these two forms.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

10-24

SOURCE As Indicated (SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

FLOIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT

Docket No. 080065-TX  
Exhibit IT-2 (Page 62 of 128 )  
Non-Confidential Portion of Audit Work Paper

TO: Stan Efferding

UTILITY: Vilaire Communications, Inc

AUDIT MANAGER: Intesar Terkawi

PREPARED BY: Intesar Terkawi, 407-327-9364,  
679 Blenheim Loop  
Winter Springs, FL 32708  
iterkawi@psc.state.fl.us

REQUEST NUMBER: 25

DATE OF REQUEST: October 25, 2007

AUDIT PURPOSE: USF Audit Audit Control No. 07-250-1-2

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: October 29, 2007

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:  INCIDENT TO AN INQUIRY  
 OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1.) Please explain whether the toll limited service is actually being selected by a particular low income customer or is being required by the Carrier.

2.) Please provide the support for either answer.

Thanks.

TO: AUDIT MANAGER

DATE \_\_\_\_\_

THE REQUESTED RECORD OR DOCUMENTATION:

- (1)  HAS BEEN PROVIDED TODAY
- (2)  CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: \_\_\_\_\_
- (3)  AND IN MY OPINION, ITEM(S) \_\_\_\_\_ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL. THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4)  THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SOURCE As Indicated \_\_\_\_\_ (SIGNATURE AND TITLE OF RESPONDENT)

Distribution: Original: Utility (for completion and return to Auditor) Copy: Audit File

10-25

# VCI Company

P.O. Box 9890,  
Lakewood, WA 98496-8900,  
Phone: (800) 923-8378  
Fax: (253) 475-6328

*Via Overnight Delivery*  
September 24, 2007

Intesar Terwaki, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850



Re: Audit Control No. 07-250-1-2  
VCI Company Responses to Audit Data Requests 1 -9

Dear Ms. Terwaki:

Attached are VCI Company's ("VCI") responses to the Florida Public Service Commission's ("Commission") audit data requests made pursuant to the Commission's letter dated September 7, 2007. It is our understanding, per Denise Vandiver, that the Commission will honor VCI's request for confidential treatment of some of the data provided herewith without the necessity of a formal request or motion being filed with the Commission. Accordingly, certain documents provided as responses are filed under seal, marked "Confidential."

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

Questions may be directed to me.

Sincerely,

VCI Company

  
Stanley J. Johnson, President

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response

07/24/07

SOURCE



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1

**Audit Request No. 1**

1. Please provide a list of names, addresses, account number, and phone numbers for the customers reported on the form FCC497 for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007.

Response: See Attachment A. VCI requests confidential treatment of the data provided in Attachment A. Accordingly, this information is filed under seal, marked "Confidential"

2. Please provide the billing system and the G/L that support the amounts stated in the forms FCC 497 for the period from June 1st 2006 until June 30th 2007.

Response: VCI requests confidential treatment of documents provided in response hereto. This information is provided as part of Confidential Attachment A.



**Audit Request No. 2**

1. Please provide the following forms that were filed with the FCC for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007: Form 497, Form 499-Q, and form 499A.

Response: See Attachment B. VCI requests confidential treatment of Forms 499A and 499Q. Accordingly, forms 499A and 499Q are filed under seal and marked "Confidential."

2. Please provide the annual filings and correspondence that was filed with USAC for the period ended June 30th 2007.

Response: VCI's forms 499A are provided as part of Attachment B. VCI did not file any correspondence with USAC during the period ended June 30, 2007. VCI makes no annual filings to USAC.

3. Please provide the annual filings that were filed with NECA.

Response: VCI is not required to make filings with NECA. VCI files its form 499s with the Federal Communications Commission on-line.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document 2 Reports

SOURCE



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2

### Audit Request No. 3

1. Please provide documentation to support your advertisements for your Services as supported by the Federal Universal Service Support Mechanisms for the period from June 1<sup>st</sup> 2006 until June 30<sup>th</sup> 2007.

Response: See documents provided as Attachment C. VCI requests confidential treatment of the data provided as Attachment C. Accordingly, the documents are filed under seal, marked "Confidential."

### Audit Request No. 4

1. Please provide proper documents showing that you allow your subscribers 60 days following the date of impending termination when you have the basis to believe that the subscriber does not meet the life-long qualifying criteria.

Response: See VCI's policy provided as Attachment D.

### Audit Request No. 5

1. Please provide a copy of any commercial agreement you have with another carrier in Florida.

Response: VCI is working with BellSouth to provide a copy of this Agreement as requested and will do so as soon as possible. VCI will request confidential treatment of this document.



### Audit Request No. 6

1. Please provide an explanation for the difference in TLS support collected by your company versus the TLS amount collected by other carriers like Verizon, AT&T and Embarq.

Response: As VCI is not privy to the marketing and customer service practices of any other company, VCI can only respond as to why its customers subscribe to toll limitation service in large numbers. As its response to this data request, VCI refers the Commission to its response to the Commission's May 4, 2007 letter regarding toll limitation service, attached hereto as Attachment E.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document Request

SOURCE



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**Audit Request No. 7**

1. Please provide a detailed explanation for the reason of discontinuing the service in the states of Oregon and Washington, and the investigation your company received into the Low Income Support programs in these two states or any other states.

Response:

- A. The reason why VCI discontinued service in Oregon and Washington may be found in VCI's Section 63.71 application filed with the FCC, which is attached as Attachment F hereto.
- B. VCI is currently the subject of an investigation by the Public Utilities Commission of Oregon only. The issue in the Oregon Investigation, Docket No. 1288, is whether VCI and Qwest Communications, Inc. inadvertently requested reimbursement from the Oregon Telephone Assistance Plan ("OTAP") for the same low-income lines. To date, the investigation in Docket No. UM 1288 is ongoing and no orders have been issued.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007

Description VCI VCI response Document Review  
11/07 IT

SOURCE



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4

**Audit Request No. 8**

1. Please provide a description of the following steps regarding the Low-Income Support Program:
  - a. The application process for subscribers.
  - b. How the subscriber becomes aware of Lifeline program.
  - c. How your company becomes aware of subscribers (upon application, qualifying agency notification, etc. )
  - d. Procedures for determining ineligible customers.

Response:

- a. The application process for subscribers.

Florida consumers submit forms to the Company certifying, under penalty of perjury, that the consumer participates in one or more approved low-income programs. In addition, consumers may apply on-line at the Florida Public Service Commission. The Commission informs VCI that an on-line application is available and the company logs in to the Commission's web site to download the application.

- b. How the subscriber becomes aware of the Lifeline program.

VCI advertises the availability and rates of its Lifeline program via television advertisements throughout its designated service area. (See Attachment A). Interested consumers then contact the company via the company's toll free telephone number, 800-932-8375, and speak to customer service representatives who describe the program, ensure that the customer participates in an eligible program, and advise the customer to submit a self-certification form. As stated above, consumers may also become aware of the Lifeline program and make application through the Commission's web site. Consumers also become aware of the Lifeline program through the Office of Public Counsel, which verifies consumers' income eligibility.

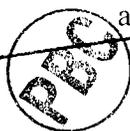
- c. How our company becomes aware of subscribers.

The company becomes aware of subscribers when consumers contact the company via its toll free telephone number or make application through the Commission's web site.

- d. Procedures for determining ineligible customers.

The customer is ineligible if the customer fails to submit the self-certification form signed under penalty of perjury. The company will determine eligibility through the annual survey verifying continued eligibility for Lifeline service. A consumer is not eligible for Link-Up service when the customer switches service from another carrier but remains at the same address.

SOURCE



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**Audit Request No. 9**

1. Please provide a list of customers' names, account number, phone numbers, addresses, that are served by your own facilities.

Response: VCI provides service to its customers via a combination of resale and facilities as permitted by the FCC. Some customers are served utilizing unbundled network elements leased from BellSouth.

VCI offers all of its customers access to Directory Assistance via the company's own facilities. The FCC has determined that a carrier may provide one of the nine supported services on a facilities basis and the rest via resale. (See *In the Matter of Federal-State Joint Board on Universal Service*, Report and Order, FCC 97-157, 12 FCC Rcd 8776, 8871, para. 169. (CC Docket 96-45, rel. May 8, 1997). Access to directory assistance is one of the nine services supported by universal service. Thus, all of VCI's customers are served via the company's own facilities. The remaining eight supported services are provided via resale of BellSouth's services.

A list of all of VCI's Florida customers served in August 2007 is attached as Attachment G. Company requests confidential treatment of Exhibit G, which is filed under seal, marked "Confidential."

2. Please provide a list of customers' names, account number, phone numbers, addresses that are served through network elements of another underlying Carrier.

Response: VCI does not know if any of its customers are served through network elements of another underlying carrier.

3. Please provide a list of customer's names, account numbers, phone numbers, addresses, that are served through resale of another Carrier's services.

Response: See No. 1 above.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI's resale to other carriers

11/09/07

SOURCE



10  
6

VCI  
Company

100, Box 98960  
Tallahassee, FL 32309-8960  
Phone: 904.923.8375  
Fax: (252) 475.6328

**Via Overnight Delivery**

October 8, 2007

Intesar Terkawi, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850



Re: Audit Control No. 07-250-1-2  
VCI Company Responses to Audit Data Requests 11-15

Dear Ms. Terkawi:

VCI Company responds to the Commission's audit data requests, nos. 11-15, as set forth in the attached pages.

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 regarding this filing may be directed to me at (253) 973-2476 or [stanj@vilaire.com](mailto:stanj@vilaire.com).

Sincerely,

VCI Company

Stanley Johnson  
President

Enclosures

SOURCE



RECEIVED

10/10/07

Florida Public Service Commission  
Division of RCA

10  
7

Vila Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

Request No. 11

1. In your answer to document request No.3 you provided a program log from each WCWJ-TV, WBFS-TV, and WSFL-TV, Please provide two invoices for the months of November 2006, January 2007, and May 2007 from each of the broadcasting station.

Response: The documents provided as Attachment C, Response to Audit Request No. 3, consist of all of the invoices VCI received from the television stations where VCI's commercials were aired and constitute the only invoice documents received by VCI from these stations. Each document indicates at the top of the document's page that it is an invoice and contains additional information about scheduling times purchased from the station.

Examples of each of the documents you request above are included in Attachment C as follows:

Station	Broadcast Month	Invoice Date	Invoice Number
WCWJ-TV	November, 2006	11/26/06	61110240
WBFS-TV	November, 2006	11/26/06	8161-432206 (2 pp.)
WSFL-TV	November, 2006	11/26/06	61110192
WCWJ-TV	January, 2007	1/28/07	70110194
BSFS-TV	January, 2007	1/28/07	8161-433521 (2 pp.)
WSFL-TV	January 2007	1/17/07	70110084
WSFL-TV	January 2007	1/28/07	70110399
WCWJ-TV	May 2007	5/27/07	70510226
WBFS-TV	May 2007	5/27/07	8161-436129 (2 pp.)
WSFL-TV	May 2007	5/09/07	70510051
WSFL-TV	May 2007	5/16/07	70510105
WSFL-TV	May 2007	5/21/07	70510166



2. Please provide the text that was used by each station to advertise your services to the public.

Response: VCI's Florida commercial can be accessed in digital format at <http://vipstudios.tv/vciflorida.htm>.

SOURCE 

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Request No. 12

1. Please provide a detailed walk-through regarding your reporting procedure to USAC.

VCI draws customer data for its reports to USAC directly from its computer system. VCI inputs a query into its system requesting the compilation of information needed on forms FCC 497.

2. Please provide documentation that was used to compile the filing for Universal Service Reimbursement.

As the information is drawn directly from VCI's computer system, no documentation is generated other than the forms FCC 497 itself.

Request No. 13

1. Please provide the applicable monthly bill for each customer on the attached lists.

Response: The requested monthly bills are attached as Attachment A-1, in a sealed envelope marked "Confidential." VCI requests confidential treatment of the information submitted as Attachment A-2.

Request No. 14

1. In the Toll Limitation Services (TLS) section of the form FCC 497, there is an amount of \$10.94 for the month of June 2006, an amount of \$8.006503 for the month of July 2006, and an amount of \$4.368223 for the month of May 2007, please provide the details and source of these numbers that make up the above stated amounts for these three stated months.

Response: The numbers present on the form FCC 497 consist of VCI's incremental cost of providing TLS. The figure is calculated as demonstrated in Attachment A-2, which is filed herewith under seal. Also attached is a copy of BellSouth's tariff page stating the cost of TLS. VCI requests confidential treatment of the information provided as Attachment B-2.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document Request No 12

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SOURCE



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Request No. 15

1. Please provide a list of VCI customers that are served through resale of another Carrier's services.

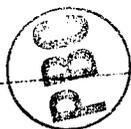
Response: As stated in VCI's response to Request No. 9, VCI provides the nine services supported by Universal Service using a combination of its own facilities and resale of BellSouth's services, as is permitted by the FCC order cited in that response. VCI offers access to directory assistance service through its own facilities and offers the remaining eight services supported by Universal Service (e.g., access to operator services, toll limitation, etc.) via resale of BellSouth's services. *None of VCI's Florida customers are served exclusively through resale of BellSouth's services.* Because VCI provides all of its customers the nine universal service supported services via combination of its own facilities and resale of BellSouth's services, VCI correctly provided the Commission with a list of all customers served in August, 2007 in Attachment G to Audit Request No. 9.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Request No. 15

11/2/07  
JF

SOURCE



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Request No. 17

Please provide the USF Data Collection Forms for the period from June 1st, 2006 until June 30th 2007.

Response: To VCI's knowledge, VCI is not required to prepare any document entitled "USF Data Collection Form." Only carriers requesting high-cost support from the USAC are required to do so. VCI does not request high-cost support.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to USAC request for USF Data Collection Forms  
11/1/07

SOURCE



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Request No. 18.

- a. Please list the customers that utilized resold lines from June 1st, 2006 until June 30th 2007.
- b. Please provide a detailed description of any money attributable to resale of lines, or access fees or any reimbursement, the company received from another carrier for the period from June 1st, 2006 until June 30th 2007. Please segregate the monies by carrier and month.

Response: VCI does not receive monies from its underlying carrier, BellSouth, for resale of Lifeline service. VCI receives a resale discount of 21.83% off of BellSouth's tariffed rate for basic local exchange service.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Down of Lifeline to  
VCI IT

SOURCE 

$\frac{10}{12}$

Request No. 22

In the company response to document request No. 9, the customers names, addresses, phone numbers were listed. Please affirm if these customers are single line, or multi-line business and residential in the State of Florida.

Response: All customers are single line, residential customers.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document Request # 22  
IT 11/07

SOURCE  \_\_\_\_\_

$\frac{10}{13}$

Request No. 23

Please explain the mechanism that the company uses to determine the customers eligibility for LifeLine and LinkUp Programs.

Response: Customers contact VCI via its toll-free telephone number, 800-923-8375, and VCI's customer service representatives review the rules for Lifeline and Link Up service with the customer, confirm that the customer is a participant in an eligible program and confirm whether the customer is eligible for Link-Up service at the customer's current address. The Customer must execute and return to the company a self-certification form in which the customer certifies, under penalty of perjury, that the customer participates in one of the Lifeline and/or Link-Up eligible programs.



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document Request # 23

17 11/29

SOURCE 

10  
14

**VCI**  
**Company**

P.O. Box 98907  
Lakewood, WA 98496-8907  
Phone: (800) 923-8375  
Fax: (253) 475-6328

*Via Electronic Mail*

November 5, 2007

Intesar Terkawi, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850



Re: Audit Control No. 07-250-1-2  
VCI Company Response to Audit Request No. 24

Dear Ms. Terkawi:

VCI Company ("VCI") responds to the Commission's Audit Request no. 24 as set forth in the attached page.

Please acknowledge receipt of this filing by return electronic mail.

Questions regarding this filing may be directed to me at (253) 973-2476 or [stanj@vcicompany.com](mailto:stanj@vcicompany.com).

Sincerely,

VCI Company

Stanley Johnson  
President

Enclosure

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16

SOURCE



Audit Request No. 24:

In your response to document request No. 2, the company provided the FCC Forms 499-Q, and 499-A. Please provide the detailed documentation to support the dollar amounts shown on these two forms.

Response: VCI cannot comply with this request. As is explained below, data reported on FCC Forms 499Q and 499A are comprised of aggregate figures, including data from all states in which VCI provides service. Forms 499Q and 499A do not provide for the reporting of data on a state-by-state basis.

1. Carriers file FCC Forms 499-Q<sup>1</sup> quarterly. On FCC Form 499Q, carriers report gross revenues from all sources, which consist of total revenues billed to customers during the filing period with no allowances for uncollectibles, settlements, or out of period adjustments.<sup>2</sup> Carriers are required to report total historical gross billed revenues for the reporting period as well as projected gross billed revenues for interstate and international telecommunications services. Carriers report data in the aggregate for each reporting period. FCC Form 499-Q does not provide for reporting of data on a per state basis. Florida 2006 gross billed revenues are included in the aggregated data reported on FCC Forms 499-Q filed by VCI in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2006.
2. Carriers file FCC Forms 499A annually on or about April 1.<sup>3</sup> On FCC Form 499A, carriers report gross revenues from all sources, consisting of total revenues billed to customers during the filing period with no allowances for uncollectibles, settlements or out-of-period adjustments.<sup>4</sup> Universal service support revenues received from Federal or state sources are reported on line 308 of FCC Form 499A. Carriers are also permitted to subtract their uncollectible revenues, consisting of the portion of gross billed revenues that the carrier reasonably expects will not be collected.<sup>5</sup> Carriers report FCC Form 499A data in the aggregate. Form 499A does not provide for gross billed revenues, uncollectibles, or universal service support to be reported on a per state basis. 2006 Florida gross billed revenues, uncollectibles, as well as federal universal service support for revenues foregone from providing Lifeline and Link-Up service to eligible Florida consumers, are included in the aggregate amounts reported by VCI on Form 499-A filed in April 2007.



<sup>1</sup> A blank form with instructions is accessible on the FCC's website at <http://www.fcc.gov/Forms/Form499-Q/499q.pdf>

<sup>2</sup> Instructions to FCC Form 499-Q, page 13, section 2.

<sup>3</sup> A blank form with instructions is accessible on the FCC's website at <http://www.fcc.gov/Forms/Form499-A/499a.pdf>

<sup>4</sup> Instructions to FCC Form 499A, page 19, section 2.

<sup>5</sup> Instructions for FCC Form 499A, page 30, Line 421.



VCI  
Company

Docket No. 080065-TX  
Exhibit IT-2 (Page 79 of 128 )  
Non-Confidential Portion of Audit Work Papers

P.O. Box 98907  
Tampa, FL 33696-8907  
Phone: (800) 923-8375  
Fax: (253) 475-6328

*Via Overnight Delivery*

October 22, 2007

Intesar Terkawi, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850



Re: Audit Control No. 07-250-1-2  
VCI Company Responses to Audit Requests 16-23

Dear Ms. Terkawi:

VCI Company ("VCI") responds to the Commission's Audit Requests, nos. 16-23, as set forth in the attached pages. VCI requests confidential treatment of its Responses to Audit Request Nos. 16, 19, and 20. Accordingly, these responses are attached under seal, marked "Confidential."

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 regarding this filing may be directed to me at (253) 973-2476 or [stanj@vilaire.com](mailto:stanj@vilaire.com).

Sincerely,

VCI Company

*Stanley Johnson for*  
Stanley Johnson  
President

Enclosures

10  
15

SOURCE



**CONFIDENTIAL DOCUMENT REQUEST LOG**

Company Name: Vilair Communications, Inc. (VCI)

Date: 10/22/2007

Docket No: Undocketed

Audit Control No. 07-250-1-2

Audit Purpose: Providing Accurate Data to USF

Docket No. 080065-TX  
 Exhibit IT-2 (Page 80 of 128)  
 Non-Confidential Portion of Audit Work Papers

*IT*  
*SP*

Item No	Document Description	Receipt of Material				Disposition of Material						
		Number of Pages	Document Request #	Received From	Received By	Date Received	Returned to	Returned By	Date Returned	Received By	Workpaper Locator	Page No. Retained
1	Names, phone numbers, addresses, of lifeline and linkup customers.	1,172 pages	1	Stanley J. Johnson	Intesar Terkawi	9/26/2007	Stanley J. Johnson	Lynn Deamer				
2	Forms 499Q and 499A	12	2	Stanley J. Johnson	Intesar Terkawi	9/26/2007					19 & 20 Series	12
3	Advertisement Bills and a disk	447 and 1,126 KB disk	3	Stanley J. Johnson	Intesar Terkawi	9/26/2007					15-1to 15-44 and 15-47	42 Pages and 1,126 KB disk
4	Commercial Agreements	1,988 KB disk	5	Stanley J. Johnson	Intesar Terkawi	9/26/2007					10-5.1	2010KB
5	Name of customers served by the company's facilities, another underlying carrier, resale of another carrier.	90	9	Stanley J. Johnson	Intesar Terkawi	9/26/2007	Stanley J. Johnson	Lynn Deamer				
6	Names of the customers electronically	106,573 KB	10	Stanley J. Johnson	Intesar Terkawi	9/26/2007					10-10:1	106,573 KB disk
7	Customers Bills for LifeLine Program	67	13	Stanley J. Johnson	Intesar Terkawi	9/26/2007					23 -23-66	67
8	Customers Bills for LinkUp Program	67	13	Stanley J. Johnson	Intesar Terkawi	9/26/2007					23 1 to 23:67	67
9	Support for RAF	3	16	Stanley J. Johnson	Intesar Terkawi	10/24/2007					16-1 to 16-3	3
10	TLS Details	4	19	Stanley J. Johnson	Intesar Terkawi	10/24/2007					26 -26-3	4
11	Reconciliation of Advertisement costs to G/L	1	20	Stanley J. Johnson	Intesar Terkawi	10/24/2007					15-46	1
12	Details of Advertisement Bills	1	N/A	Prepared by auditor							15	1
13	Schedule of duplicate customers of LinkUp program for the audit period	17	N/A	Prepared by auditor							22 to 22-16	-
14	Schedule of duplicate customers of LinkUp program per month for the audit period	149	N/A	Prepared by auditor							22 149	149

12:21 PM  
 09/28/07  
 Cash Basis

VCI Company  
 Transaction Detail By Account  
 January 2006 through July 2007

Type	Date	Memo	Clr	Split	Original Amount	Paid Amount	Balance
4000 - Sales							
4041 - Feds							
4058 - FL							
General Journal	July	Lifeline	4041 - Feds		1,021.00	1,021.00	1,021.00
General Journal	July	Link up	4041 - Feds		3,060.00	3,060.00	4,081.00
General Journal	July	TLS	4041 - Feds		1,116.00	1,116.00	5,197.00
General Journal	Aug	Lifeline	4041 - Feds		1,651.00	1,651.00	6,848.00
General Journal	Aug	Link-up	4041 - Feds		3,090.00	3,090.00	9,938.00
General Journal	Aug	TLS	4041 - Feds		1,321.00	1,321.00	11,259.00
General Journal	Sept	Lifeline	4041 - Feds		4,681.00	4,681.00	15,940.00
General Journal	Sept	Link-up	4041 - Feds		4,030.00	4,030.00	19,970.00
General Journal	Sept	TLS	4041 - Feds		2,483.00	2,483.00	22,453.00
General Journal	Oct	Lifeline	4041 - Feds		8,333.00	8,333.00	30,786.00
General Journal	Oct	Link Up	4041 - Feds		16,989.00	16,989.00	47,775.00
General Journal	Oct	TLS	4041 - Feds		7,062.00	7,062.00	54,837.00
General Journal	Nov	Lifeline	4041 - Feds		19,825.00	19,825.00	74,662.00
General Journal	Nov	Link Up	4041 - Feds		7,527.00	7,527.00	82,189.00
General Journal	Nov	TLS	4041 - Feds		8,162.00	8,162.00	90,351.00
General Journal	Dec	Lifeline	4041 - Feds		37,839.00	37,839.00	128,190.00
General Journal	Dec	Link Up	4041 - Feds		67,689.00	67,689.00	195,879.00
General Journal	Dec	TLS	4041 - Feds		29,466.00	29,466.00	225,345.00
General Journal	Jan	Lifeline	4041 - Feds		61,936.00	61,936.00	287,281.00
General Journal	Jan	Link Up	4041 - Feds		30,845.00	30,845.00	318,126.00
General Journal	Jan	TLS	4041 - Feds		38,285.00	38,285.00	356,411.00
General Journal	Feb	Lifeline	4041 - Feds		79,913.00	79,913.00	436,324.00
General Journal	Feb	Link Up	4041 - Feds		41,400.00	41,400.00	477,724.00
General Journal	Feb	TLS	4041 - Feds		35,728.00	35,728.00	513,452.00
General Journal	March	Lifeline	4041 - Feds		81,093.00	81,093.00	594,545.00
General Journal	March	Linkup	4041 - Feds		24,690.00	24,690.00	619,235.00
General Journal	March	TLS	4041 - Feds		32,244.00	32,244.00	651,479.00
General Journal	April	Lifeline	4041 - Feds		71,442.00	71,442.00	722,921.00
General Journal	April	Link up	4041 - Feds		33,420.00	33,420.00	756,341.00
General Journal	April	TLS	4041 - Feds		27,881.00	27,881.00	784,222.00
General Journal	May	Lifeline	4042 - Feds		64,246.00	64,246.00	848,468.00
General Journal	May	Link up	4043 - Feds		51,378.00	51,378.00	899,846.00
General Journal	May	TLS	4044 - Feds		25,353.00	25,353.00	925,199.00
General Journal	June	Lifeline	4045 - Feds		33,405.00	33,405.00	958,604.00
General Journal	June	Link up	4046 - Feds		4,261.00	4,261.00	962,865.00
General Journal	June	TLS	4047 - Feds		11,556.00	11,556.00	974,421.00
Total 4058 - FL						974,421.00	
Total 4041 - Feds						974,421.00	
Total 4000 - Sales						974,421.00	
TOTAL						974,421.00	

Vilair Communications, Inc.  
 Phone Audit Control No. 07-250-1-2  
 From June 1st, 2006 - June 30th, 2007  
 Description VCI General Ledger

11/07 IT

this is the only G/L that the company  
 has for the reimbursement on forms FCC-497.  
 the first two months June & July 2006  
 amounts reconcile to the G/L, the rest of  
 the months do not.  
 IT

SOURCE



**AUDIT POINT SHEET**

Company: Vilaire Communications Auditor/ Manager: Intesar Terkawi  
 Audit: Low Income Beneficiary Audit Reviewed By: Lynn Deamer  
 Dkt No: Undocketed Date Reviewed: October 31, 2007  
 Acn: 07-250-1-2

IT

Point Number	Working Paper	Review Comments	Disposition	Corrected by/date
1	Admin	Remember to include: 1) cd with files 2) tick mark sheet 3) Good Index sheet!	1) Included 2) See WP 6-2 3) Thanks	11/14/07
2	Binder Label	Please redo. Binder label should mirror the title page beginning with the company name and ending with the Audit control Number.	See Labels done	11/14/07
3	Audit report	Make changes as noted.	Done	11/14/07
4	Asr	Good annotation! ASR 7 is not....how about annotating it to your audit report. i.e. say "see finding xx" for discussion	Done	11/14/07
5	4 to 4-4	Initial and date	Done	11/14/07
6	5-1,5-5-3	There are pencil markings as if you want to point out something or reference something. So.... Reference to other workpapers	Done	11/14/07
7	11	Workpaper 11 should be in the non confidential binder	Done	11/14/07
8	12	In your audit note, do we know why the other months don't reconcile, did we ask the company? Please include more detail. Talk to me if you need to.	Talked to the company, sent an e-mail with notes for asr	11/14/07
9	Confidential vs non confidential	The only paper in your confidential binder is what is actually confidential. So, remove any other paper including the index. We (you and/or I) will create a special index for this binder. Some of your lead sheets you left in the nonconfidential binder, others you put in the confidential binder.	Done	11/14/07
10	Kangaroo pouches	The one behind wp15 has no number	See WP 15-1-44	11/14/07
11	15	When you prepare a schedule from confidential material pbc, this prepared schedule should be accounted for on wp 11. Under received from/by type "prepared by audit staff"	See WP 11	11/14/07
12	15-47	Not clear why this is confidential. Talk to me. Also, where are the cd's that the company provided? Should we include them in the workpapers??	See WP 10-3 T	11/14/07
13	22	The source for this really isn't pbc. It's a schedule prepared by you from cd. The first 4 columns are company's, the last is from you.	See WP 22	11/14/07
14	23 series	Let's talk about the inclusion of wp 22 and 23.	See WP 23	11/14/07
15				

Vilarie Communications, INC. (VCI)  
Advertisement  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed

OBJECTIVE:

To verify that the company advertises for the LifeLine and LinkUp programs.

WORK PERFORMED:

- 1) Obtained Monthly Bills of the company's advertisement.
- 2) Create a schedule that summarize the bills of advertisements for the period from June 1<sup>st</sup>, 2006 until June 30<sup>th</sup>, 2007.
- 3) Obtain the text the company uses for advertisement.
- 4) Not able to reconcile the amounts of the advertisements bills to the General Ledger, as the company claimed that it does not keep general ledger for each state.

CONCLUSION:

Workpaper are included. No further work performed. The auditor is not able to determine the effectiveness of the advertisements used by VCI to attract qualifying individuals.

SOURCE As Indicated

Lead 15

Docket No. 080065-TX  
Exhibit IT-2 (Page 84 of 128)  
Non-Confidential Portion of Audit Work Papers



# Florida



## Lifeline and Link-Up for VCI Customers in Florida

Lifeline is a government program that offers qualified people a discount on their monthly local telephone bill. Each state has its own guidelines to qualify.

How much can I save on my phone bill? You will save up to \$14.50 on your basic monthly bill, including a waiver of the Subscriber Line Charge. These benefits apply to your basic local telephone service charges. Lifeline customers are exempt from paying the federal Universal Service charge.

How do I know if I'm eligible? You're eligible for Lifeline if you participate in any of the following programs:

- Temporary Assistance for Needy Families (TANF)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Supplemental Security Income (SSI)
- National School Lunch free lunch program
- Low Income Home Energy Assistance Programs (LIHEAP)

**Are there any restrictions?** Lifeline can only be used for

<http://www.vilaire.com/southflnmtx/Frame-2-floridapage2.html?refresh=1186153170865>

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007

Description Lifeline & LinkUP Advertisement text

It 11/07

VCI Website, where the company claims that they use the information on this website as a text for advertisements for the Lifeline & LinkUP program

SOURCE - Company's website

15  
1

content

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Exhibit IT-2 (Page 85 of 128)  
Non-Confidential Portion of Audit Work Papers

the main telephone line in a household. The name on your phone bill must match the name of the participant who is eligible in the program. You may purchase any service available to a non-Lifeline customer.

How do I apply? To apply for Lifeline, call 800-923-8375. You will be asked to provide proof of your eligibility by returning a signed self-certification form. Applications also are available at the Florida Office of Public Counsel for Lifeline assistance by way of the State Means Test. You also may apply for Lifeline service on-line at the Florida Public Service Commission's web site, [https://secure.floridapsc.com/\(S\(in45j355b1q0jz45f45qtguc\)\)/public/lifeline/lifelineapplication.aspx](https://secure.floridapsc.com/(S(in45j355b1q0jz45f45qtguc))/public/lifeline/lifelineapplication.aspx).

**How do I continue to receive Lifeline benefits?**

Eligibility is reviewed periodically. Your benefits will be discontinued when you no longer meet eligibility requirements or when proof of eligibility is not received.

**Other useful information.** There are other options that can help you save money, including free toll blocking and the use of prepaid long distance calling cards.

Link-Up helps households pay the installation charge for telephone service. This program pays some of the cost of installing local service in your home, but Link-Up does not cover the cost of wiring inside your home.

**How much will I save by using Link-Up?** Link-Up will pay 50% of charges for activation of telephone service. The maximum benefit is \$30.

**How do I know if I am eligible?** If you qualify for Lifeline, you also qualify for Link-Up

**Does Link-Up have any restrictions?** It can only be used for the charges for activating main phone service or moving existing service to a new address. You must provide proof of

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description Life Line & Link-Up Advertisement

SOURCE: Source: Vilaire

15/2



Request No. 20:

Please reconcile the advertisement costs to General Ledger for the period from June 1st, 2006 until June 30th, 2007.

Response: VCI's response to Data Request No. 20 is attached hereto under seal. VCI requests confidential treatment of its Response to this Data Request.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007

Description *Coverpaper to Document Request # 20*

*11/29 LT*

SOURCE \_\_\_\_\_



15-45

Vilarie Communications, INC. (VCI)  
VERIFICATION OF FILING WITH USAC  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed

OBJECTIVE:

To examine the company's supporting documentations that were used to compile the filing for Universal Fund Reimbursement. Tie the amounts on the forms FCC 497 to the annual RAF filing with the Commission. Obtain the documents that support each of FCC Form 499-Q, FCC 499-A, USF Data Collection form, USAC Annual filing and correspondence, and NECA Annual filings.

WORK PERFORMED:

- 22 1) Required the company to provide a walk-through reporting procedures with USAC. The company uses the customer listing generated from the computer to compile the required data.
- 18 -18-122) 2) The audit staff reconciled the number of customers on the subscribers listings to the number of customers reported on the FCC 497 forms.
- ↓ 3) The audit staff reconciled the amounts charged on form FCC 497 to the tariff.
- 12 4) The audit staff requested the general ledger to reconcile the amounts on general ledger to the amounts reported on forms FCC-497.
- 16, 19, 20 5) The audit staff requested each of the RAF, Form FCC 499Q form, and FCC 499A form , USF Data Collection form, USAC Annual filing and Correspondence, and NECA Annual filings.

CONCLUSION:

The audit staff was not able to reconcile the amounts reported on the form FCC-497 to the General Ledger, nor was able reconcile the amounts reported on the FCC Forms 497 to the revenue reported on the 2006 RAF filing with the Commission. Forms FCC 497 showed a revenue of \$234,901 for the last six months of the year 2006. Annual RAF 2006 filing shows a revenue of \$64,449. On asking the company for explanation of the difference of the reported amounts on the RAF from the ones reported on FCC 497 forms, the company failed to give a satisfactory answer (See Finding No. 2 ). Form FCC499-Q reported amounts are estimates and could not be reconciled to any other form. Form FCC 499-A, is an annual filing for all the states combined, it includes the actual amounts, and it could not be reconciled to any other form. According to the company response, VCI is not required to file USF Data Collection form, USAC annual filings and correspondence, or NECA annual filings.

Work paper are included in both files. No further work preformed.

Lead 16, 18 & 19

# Competitive Local Exchange Company Regulatory Assessment Fee Return

## Florida Public Service Commission

Docket No. 080065-TX  
 Exhibit IT-2 (Page 89 of 128)  
 Non-Confidential Portion of Audit Work Papers

**STATUS:**

- Actual Return
- Estimated Return
- Amended Return

(See Filing Instructions on Back of Form)

TX868-06-0-R  
 Vilaire Communications, Inc.  
 P. O. Box 98907  
 Lakewood, WA 98498-0907

704 JAN 28 2007

\$ 30.00				06-03-001
				003001
\$	E			
\$	P			06-03-001
				004011
\$	I			
Postmark Date <u>1-16-07</u>				
Initials of Preparer <u>RT</u>				

**PERIOD COVERED:**  
 02/06/2006 TO 12/31/2006

Please Complete Below If Official Mailing Address Has Changed

\_\_\_\_\_  
 (Name of Company) (Address) (City/State) (Zip)

LINE NO.	ACCOUNT CLASSIFICATION	FLORIDA GROSS OPERATING REVENUE	INTRASTATE REVENUE
1.	Basic Local Services	\$ 64448.30	\$
2.	Long Distance Services (IntraLATA only) <sup>(1)</sup>		
3.	Access Services		
4.	Private Line Services		
5.	Leased Facilities & Circuits Services		
6.	Miscellaneous Services		
7.	<b>TOTAL REVENUES</b>		\$ 64448.30
8.	LESS: Amounts Paid to Other Telecommunications Companies <sup>(2)</sup>		47320.00
9.	<b>NET INTRASTATE OPERATING REVENUE</b> for Regulatory Assessment Fee Calculation (Line 7 less Line 8)		\$ 17128.30
10.	Regulatory Assessment Fee Due (Multiply Line 9 by 0.0020)		342.6
11.	Penalty for Late Payment (see "3. Failure to File by Due Date" on back)		
12.	Interest for Late Payment (see "3. Failure to File by Due Date" on back)		
13.	Extension Payment Fee (see "4. Extension" on back)		
14.	<b>TOTAL AMOUNT DUE (\$50 MINIMUM)</b>		\$ 342.6 <sup>(3)</sup>

- (1) Other long distance revenue must be listed on the Interexchange Regulatory Assessment Fee Return.
- (2) These amounts must be intrastate only and must be verifiable (see "2. Fees" on back).
- (3) Regardless of the gross operating revenue of a company, a minimum annual regulatory assessment fee of \$50 shall be imposed as provided in Section 364.336, Florida Statutes.

**CURRENT COMPANY STATUS:**  
 Facilities-Based Provider  
 Reseller  
 Other: \_\_\_\_\_  
 Vilaire Communications, Inc.  
 Phone Audit Control No. 07-250-1-2  
 From June 1st, 2006 - June 30th, 2007  
 Description VLAIR Not Acc 11/07 IT

**BILLING INFORMATION**  
 Complete below if billing agent is other than yourself.  
 \_\_\_\_\_  
 (Name) (Address: City/State/Zip) (Telephone)

**COMPANY INFORMATION**  
 Do you lease telecommunications' facilities?  YES  NO  
 If YES, who do you lease these facilities from? Name: \_\_\_\_\_  
 Address: \_\_\_\_\_

I, the undersigned owner/officer of the above-named company, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

[Signature] \_\_\_\_\_  
 (Signature of Company Official) President \_\_\_\_\_ (Title) 1-15-07 \_\_\_\_\_ (Date)  
Stanley Johnson \_\_\_\_\_  
 (Preparer of Form - Please Print Name) Telephone Number 253-973-2476 Fax Number \_\_\_\_\_

4.0 - RATES AND CHARGES

Docket No. 080065-TX  
 Exhibit IT-2 (Page 90 of 128 )  
 Non-Confidential Portion of Audit Work Papers

4.1 Basic Local Service

	<u>Monthly Rate</u>	<u>Non-recurring Charge</u>
4.1.1. Retail Service:		
Installation of Local Line		\$ 300.00
Conversion of Local Line		\$ 300.00
Basic Monthly Service	\$ 29.99	

4.1.2 Lifeline Service:

Installation of Local Line		\$ 120.00* (T)
Conversion of Local Line		\$ 120.00* (T)
Basic Monthly Service	\$ 21.99* (T)	

4.2 Custom Calling Features:

Set Up Charge		\$10.00** (T)
Call Waiting	\$ 5.00	
Call Forwarding	\$ 5.00	
Three-Way Calling	\$ 5.00	
Caller ID	\$10.00	

4.3 Calling Feature Package – Retail Service Only

Call Waiting, Call Forwarding,  
 Three Way Calling,  
 Caller ID

\$ 20.00

Vilaire Communications, Inc.  
 Phone Audit Control No. 07-250-1-2  
 From June 1st, 2006 - June 30th, 2007  
 Description *tariff*

4.4 Directory Services

Non-Published Service \$ 5.00

\*Rates are represented here as if all applicable Lifeline and Link-Up discounts have been applied. Lifeline customers who are not eligible for the Link-Up discount pay a \$150.00 Connection Fee.

\*\* (T)Note: The custom calling features set up charge activates one or all of the features. If features are ordered at the time of initiation of Service, no custom calling features set up charge applies.

Issued: December 11, 2006

Effective: December 12, 2006

Issued By:

Stan Efferding  
 Secretary/Treasurer  
 2228 S. 78<sup>th</sup> Street (T)  
 Tacoma, Washington 98409-9050 (T)

SOURCE



(N)  
 |  
 (N)

*11/09 ET*

4.0 - RATES AND CHARGES (CONT'D)

Docket No. 080065-TX  
 Exhibit IT-2 (Page 91 of 128 )  
 Non-Confidential Portion of Audit Work Papers

4.5 Customized Toll Restriction Service

Customized Toll Restriction Service is provided free of charge to Lifeline eligible Customers.

	<u>Monthly Rate</u>	<u>Non-recurring Charge</u>
All Options	\$10.00	\$18.00

4.6 Miscellaneous Charges

Change Telephone Number, Change Name, Service at new address	\$30.00 (I)
Service Change Charge	\$10.00
Caller Identification Blocking Activation	\$10.00
Reconnection Fee	\$30.00
Late Charge	\$10.00
Returned Payment Charge	\$25.00
Rush Order Charge	\$ 20.00

4.7 Directory Assistance

Per Call	\$2.00
----------	--------

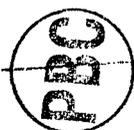
Issued: January 29, 2007

Effective: January 30, 2007

Issued By:

Stan Efferding  
 Secretary/Treasurer  
 2228 S. 78<sup>th</sup> Street (T)  
 Tacoma, Washington 98409-9050 (T)

SOURCE



17-1

FCC 497  
October 2000

**LIFELINE AND LINK UP WORKSHEET**

Docket No. 080065-TX  
Exhibit IT-2 (Page 92 of 128)  
Non-Confidential Portion of Audit Work Papers

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description FCC 497 145020/03

USAC Service Provider Identification Number (1) 145020/03 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"/> <u>Original</u> <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>stanj@vilaire.com</u>		

Lifeline	# Lifeline Subscribers		Lifeline Support/Subscriber	Total Lifeline Support
	(a)		(b)*	(c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<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 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 \$1,020.0000 (10)  
 (Sum of lines 5c, 6c, 7c, 8c & 9)  
 \* For multiple rates, use an average amount

Link Up	Non-Tribal	Tribal	Total Link Up
	(a)	(b)	(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>	\$ -	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$3,060.00</u>	\$ -	= <u>\$3,060.0000</u> (15c)

\* For multiple rates, use an average amount  
**Toll-Limitation Services (TLS)**  
 Incremental cost of providing TLS (16) \$10.94  
 Number of subscribers for whom TLS initiated (17) 102  
 Total TLS dollars claimed \$1,116.2676 (18)

**Presubscribed Interexchange Carrier Charge (PICC)** (For Price-cap companies only; prior to 7/1/2000)  
 Monthly charge per line (19) 0  
 Number of Subscribers per month (20) 0  
 Total PICC dollars waived \$ 0 (21)

<b>ETC Payment (22)</b>	
Total Lifeline \$ <u>\$1,020.0000</u>	Total TLS \$ <u>\$1,116.2676</u>
Total Link Up \$ <u>\$3,060.0000</u>	Total PICC \$ <u>0</u>
Total Dollars \$ <u>\$5,196.2676</u> <u>18</u>	

SOURCE  If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free  
 5,196.26 + 6,061.07 + 5,166.92 + 19,116.27 + 22,620.90 + 170,749.49 + 105,288.10 = 234,190.01

LIFELINE AND LINK UP WORKSHEET

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. 98498</u>	b) Data Month	<u>July</u>
Contact Name:	<u>Stan Johnson</u>	c) Type of filing (Check one):	Original <input type="checkbox"/> <b>Revision</b> <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>stanj@vilaire.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>165</u>	x	\$ <u>6.50</u>	=	\$ <u>1072.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>165</u>	x	\$ <u>1.75</u>	=	\$ <u>289</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>165</u>	x	\$ <u>1.75</u>	=	\$ <u>289</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 \$7 \$1,650.0000 (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>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>\$7 \$3,090.0000</u> 15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)			Total TLS dollars claimed
Incremental cost of providing TLS	(16)	<u>\$8.006503</u>	
Number of subscribers for whom TLS initiated	(17)	<u>165</u>	\$ <u>\$1,321.0730</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>\$1,650.0000</u>	Total TLS \$	<u>\$1,321.0730</u>
Total Link Up \$	<u>\$3,090.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars	<u>\$7 \$6,061.0730</u>

SOURCE



If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

12-1

LIFELINE AND LINK UP WORKSHEET

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) 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) 475 - 6328</u>		
E-mail Address:	<u>stani@vilaire.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>215</u>	x	\$ <u>6.50</u>	=	\$ <u>1397.5</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>\$1,860.000</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>\$1,156.9160</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>\$2,150.0000</u>	Total TLS \$	<u>\$1,156.9160</u>
Total Link Up \$	<u>\$1,860.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$5,166.9160</u>

SOURCE



If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

LIFELINE AND LINK UP WORKSHEET

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

<p>(3)</p> <p>Company Name: <u>VCI Company</u></p> <p>Mailing Address: <u>7304 Zircon Dr. SW</u> <u>Lakewood, Wa. 98498</u></p> <p>Contact Name: <u>Stan Johnson</u></p> <p>Telephone Number: <u>(253) 973 - 2476</u></p> <p>Fax Number: <u>(253) 475 - 6328</u></p> <p>E-mail Address: <u>stanj@vilaire.com</u></p>	<p>(4)</p> <p>a) Submission Date <u>October 20, 2006</u></p> <p>b) Data Month <u>September</u></p> <p>c) Type of filing (Check one): <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision</p> <p>d) State Reporting <u>Florida</u></p>
--	--

Lifeline	# Lifeline Subscribers	Lifeline Support/ Subscriber	Total Lifeline Support
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	520	(a) x \$ 6.50 (b)*	= \$ 3380 (c)
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	520	x \$ 1.75	= \$ 910
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	520	x \$ 1.75	= \$ 910
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	0	x \$ 25.00	= \$ 0

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 \$ \$5,200.000 (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)	325	0	325
Charges waived per Connection (12) *	\$30.00 (\$30 max)	100 (\$100 max)	
Total Connection charges waived (13)	\$9,750.00	\$ -	
Deferred Interest (14)	0		
Total Link Up dollars waived (15)	\$9,750.00	\$ -	= \$ <u>\$9,750.0000</u> 15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)	Total TLS dollars claimed
Incremental cost of providing TLS (16) <u>\$8.012425</u>	
Number of subscribers for whom TLS initiated (17) <u>520</u>	\$ <u>\$4,166.4610</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>\$5,200.0000</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>

SOURCE



LIFELINE AND LINK UP WORKSHEET

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) 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 - 6328</u>		
E-mail Address:	<u>stanj@vilair.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>	x	<u>\$ 6.50</u>	=	<u>\$ 6838</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>1,052</u>	x	<u>\$ 1.75</u>	=	<u>\$ 1841</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>1,052</u>	x	<u>\$ 1.75</u>	=	<u>\$ 1841</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 \$ \$10,520.000 (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>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>\$ 6,990.0000</u> 15c)

Toll-Limitation Services (TLS)				
Incremental cost of providing TLS	(16)	<u>\$4.858132</u>		
Number of subscribers for whom TLS initiated	(17)	<u>1,052</u>	Total TLS dollars claimed	<u>\$ 5,110.7546</u> (18)

Presubscribed Interexchange Carrier Charge (PICC)		(For Price-cap companies only; prior to 7/1/2000)		
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)

ETC Payment (22)				
Total Lifeline	\$	<u>\$10,520.0000</u>	Total TLS	\$ <u>\$5,110.7546</u>
Total Link Up	\$	<u>\$6,990.0000</u>	Total PICC	\$ <u>0</u>
			Total Dollars	\$ <u>\$22,620.7546</u> 18

SOURCE



If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

18-4

**LIFELINE AND LINK UP WORKSHEET**

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

<p>(3)</p> <p>Company Name: <u>VCI Company</u></p> <p>Mailing Address: <u>7304 Zircon Dr. SW</u> <u>Lakewood, Wa. 98498</u></p> <p>Contact Name: <u>Stan Johnson</u></p> <p>Telephone Number: <u>(253) 973 - 2476</u></p> <p>Fax Number: <u>(253) 475 - 6328</u></p> <p>E-mail Address: <u>stanj@vilaire.com</u></p>	<p>(4)</p> <p>a) Submission Date <u>December 22, 2006</u></p> <p>b) Data Month <u>November</u></p> <p>c) Type of filing (Check one): <input checked="" type="checkbox"/> <b>Original</b> <input type="checkbox"/> Revision</p> <p>d) State Reporting <u>Florida</u></p>
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Lifeline	# Lifeline Subscribers (a)	Lifeline Support/ Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	1,875	x \$ 6.50	= \$ 12187.5
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	1,875	x \$ 1.75	= \$ 3281
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	1,875	x \$ 1.75	= \$ 3281
Tier 4 Low-Income Subscribers receiving federal Lifeline Support (8)	0	x \$ 25.00	= \$ 0

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 \$ \$18,750.00 (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)	1220	0	1220
Charges waived per Connection (12) *	\$30.00 (\$30 max)	100 (\$100 max)	
Total Connection charges waived (13)	\$36,600.00	\$ -	
Deferred Interest (14)	0		
Total Link Up dollars waived (15)	\$36,600.00	\$ -	= \$ <u>\$36,600.00</u> 15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)			
Incremental cost of providing TLS (16)	\$8.213061		
Number of subscribers for whom TLS initiated (17)	1,875	Total TLS dollars claimed	\$ <u>\$15,399.490</u> (18)

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)			
Monthly charge per line (19)	0		
Number of Subscribers per month (20)	0	Total PICC dollars waived	\$ <u>0</u> (21)

ETC Payment (22)			
Total Lifeline \$	<u>\$18,750.0000</u>	Total TLS \$	<u>\$15,399.4900</u>
Total Link Up \$	<u>\$36,600.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$70,749.4900</u> <i>AV</i>

LIFELINE AND LINK UP WORKSHEET

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) 475 - 6328</u>		
E-mail Address:	<u>stanj@vilaire.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>4,623</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)  
 \* For multiple rates, use an average amount

Link Up		Non-Tribal (a)		Tribal (b)		Total Link Up (c)
Number of Connections waived	(11)	<u>1198</u>		<u>0</u>		<u>1198</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>		\$ -		
Deferred Interest	(14)	<u>0</u>				
Total Link Up dollars waived	(15)	<u>\$35,940.00</u>		\$ -	=	\$ <u>\$35,940.00</u> 15c)

Toll-Limitation Services (TLS)				
Incremental cost of providing TLS	(16)	<u>\$5.152490</u>		
Number of subscribers for whom TLS initiated	(17)	<u>4,623</u>	Total TLS dollars claimed	\$ <u>\$23,819.962</u> (18)

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)				
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)

ETC Payment (22)				
Total Lifeline	\$	<u>\$46,230.0000</u>	Total TLS	\$ <u>\$23,819.9624</u>
Total Link Up	\$	<u>\$35,940.0000</u>	Total PICC	\$ <u>0</u>
			Total Dollars	\$ <u>\$105,989.9624</u> <i>AT</i>

LIFELINE AND LINK UP WORKSHEET

Docket No. 080065-TX  
Exhibit IT-2 (Page 99 of 128 )  
Non-Confidential Portion of Audit Work Papers

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date	<u>February 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):	<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>stanj@vilaire.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>5,913</u>	x	\$ <u>6.50</u>	=	\$ <u>38434.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>5,913</u>	x	\$ <u>1.75</u>	=	\$ <u>10348</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>5,913</u>	x	\$ <u>1.75</u>	=	\$ <u>10348</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 \$ \$59,130.00 (10)  
(Sum of lines 5c, 6c, 7c, 8c & 9)

\* For multiple rates, use an average amount

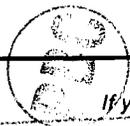
Link Up		Non-Tribal (a)		Tribal (b)		Total Link Up (c)
Number of Connections waived	(11)	<u>1289</u>		<u>0</u>		<u>1289</u>
Charges waived per Connection	(12) *	<u>\$30.00</u>	(\$30 max)	<u>100</u>	(\$100 max)	
Total Connection charges waived	(13)	<u>\$38,670.00</u>		\$ <u>-</u>		
Deferred Interest	(14)	<u>0</u>				
Total Link Up dollars waived	(15)	<u>\$38,670.00</u>		\$ <u>-</u>	=	\$ <u>\$38,670.00</u> 15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)			
Incremental cost of providing TLS	(16)	<u>\$4.830861</u>	
Number of subscribers for whom TLS initiated	(17)	<u>5,913</u>	Total TLS dollars claimed \$ <u>\$28,564.881</u> (18)

Presubscribed Interexchange Carrier Charge (PICC)		(For Price-cap companies only; prior to 7/1/2000)	
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)

ETC Payment (22)			
Total Lifeline \$	<u>\$59,130.0000</u>	Total TLS \$	<u>\$28,564.8814</u>
Total Link Up \$	<u>\$38,670.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$126,364.8814</u> <i>W</i>



LIFELINE AND LINK UP WORKSHEET

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date	<u>March 22, 2007</u>
Mailing Address:	<u>7304 Zircon Dr. SW</u> <u>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>stanj@vilair.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>7,184</u>	x	<u>\$ 6.50</u>	=	<u>\$ 46696</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>7,184</u>	x	<u>\$ 1.75</u>	=	<u>\$ 12572</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>7,184</u>	x	<u>\$ 1.75</u>	=	<u>\$ 12572</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 \$ \$71,840.00 (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>1056</u>		<u>0</u>		<u>1056</u>
Charges waived per Connection	(12) *	<u>\$30.00</u>	(\$30 max)	<u>100</u>	(\$100 max)	
Total Connection charges waived	(13)	<u>\$31,680.00</u>		<u>\$ -</u>		
Deferred Interest	(14)	<u>0</u>				
Total Link Up dollars waived	(15)	<u>\$31,680.00</u>		<u>\$ -</u>	=	<u>\$ 31,680.00</u> (15c)

Toll-Limitation Services (TLS)			Total TLS dollars claimed
Incremental cost of providing TLS	(16)	<u>\$4,275,847</u>	
Number of subscribers for whom TLS initiated	(17)	<u>7,184</u>	<u>\$ 30,717.683</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>\$71,840.0000</u>	Total TLS \$	<u>\$30,717.6832</u>
Total Link Up \$	<u>\$31,680.0000</u>	Total PICC \$	<u>0</u>
Total Dollars \$		<u>\$134,237.6832</u>	

LIFELINE AND LINK UP WORKSHEET

Docket No. 080065-TX  
Exhibit IT-2 (Page 101 of 128 )  
Non-Confidential Portion of Audit Work Papers

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

(3)		(4)	
Company Name:	<u>VCI Company</u>	a) Submission Date	<u>April 14, 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):	<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>stanj@vilaire.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>	x	\$ <u>6.50</u>	=	\$ <u>44817.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>6,895</u>	x	\$ <u>1.75</u>	=	\$ <u>12066</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>6,895</u>	x	\$ <u>1.75</u>	=	\$ <u>12066</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 \$ \$68,950.00 (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>1085</u>		<u>0</u>		<u>1085</u>
Charges waived per Connection	(12) *	\$ <u>30.00</u>	(\$30 max)	<u>100</u>	(\$100 max)	
Total Connection charges waived	(13)	\$ <u>32,550.00</u>		\$ <u>-</u>		
Deferred Interest	(14)	<u>0</u>				
Total Link Up dollars waived	(15)	\$ <u>32,550.00</u>		\$ <u>-</u>	=	\$ <u>32,550.00</u> (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)				Total TLS dollars claimed
Incremental cost of providing TLS	(16)	<u>\$4.356886</u>		
Number of subscribers for whom TLS initiated	(17)	<u>6,895</u>		\$ <u>\$30,040.731</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 Dollars
Total Lifeline	\$	<u>\$68,950.0000</u>	Total TLS	\$ <u>\$30,040.7310</u>
Total Link Up	\$	<u>\$32,550.0000</u>	Total PICC	\$ <u>0</u>
				\$ <u>\$131,540.7310</u> <i>AV</i>

SOURCE



LIFELINE AND LINK UP WORKSHEET

Docket No. 080065-TX  
Exhibit IT-2 (Page 102 of 128 )  
Non-Confidential Portion of Audit Work Papers

USAC Service Provider Identification Number (1) 143026763 Serving Area (2) 219908

<p>(3)</p> <p>Company Name: <u>VCI Company</u></p> <p>Mailing Address: <u>7304 Zircon Dr. SW</u> <u>Lakewood, Wa. 98498</u></p> <p>Contact Name: <u>Stan Johnson</u></p> <p>Telephone Number: <u>(253) 973 - 2476</u></p> <p>Fax Number: <u>(253) 475 - 6328</u></p> <p>E-mail Address: <u>stani@vilair.com</u></p>	<p>(4)</p> <p>a) Submission Date <u>May 16, 2007</u></p> <p>b) Data Month <u>April</u></p> <p>c) Type of filing (Check one): <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision</p> <p>d) State Reporting <u>Florida</u></p>
---	--

Lifeline	# Lifeline Subscribers (a)	Lifeline Support/ Subscriber (b)*	Total Lifeline Support (c)
Tier 1 Low-Income Subscribers receiving federal Lifeline Support (5)	<u>7,045</u>	x \$ <u>6.50</u>	= \$ <u>45792.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>7,045</u>	x \$ <u>1.75</u>	= \$ <u>12329</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>7,045</u>	x \$ <u>1.75</u>	= \$ <u>12329</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 \$ \$70,450.00 (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>1345</u>	<u>0</u>	<u>1345</u>
Charges waived per Connection (12) *	<u>\$30.00</u> (\$30 max)	<u>100</u> (\$100 max)	
Total Connection charges waived (13)	<u>\$40,350.00</u>	<u>\$ -</u>	
Deferred Interest (14)	<u>0</u>		
Total Link Up dollars waived (15)	<u>\$40,350.00</u>	<u>\$ -</u>	= \$ <u>\$40,350.00</u> (15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)			
Incremental cost of providing TLS (16)	<u>\$4.619187</u>		
Number of subscribers for whom TLS initiated (17)	<u>7,045</u>	Total TLS dollars claimed	\$ <u>\$32,542.171</u> (18)

Presubscribed Interexchange Carrier Charge (PICC) (For Price-cap companies only; prior to 7/1/2000)			
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)

ETC Payment (22)			
Total Lifeline \$	<u>\$70,450.0000</u>	Total TLS \$	<u>\$32,542.1710</u>
Total Link Up \$	<u>\$40,350.0000</u>	Total PICC \$	<u>0</u>
		Total Dollars \$	<u>\$143,342.1710</u>

SOURCE

12-10

LIFELINE AND LINK UP WORKSHEET

Docket No. 080065-TX  
Exhibit IT-2 (Page 103 of 128 )  
Non-Confidential Portion of Audit Work Papers

USAC Service Provider Identification Number (1) 143026763

Serving Area (2) 219908

<p>(3)</p> <p>Company Name: <u>VCI Company</u></p> <p>Mailing Address: <u>7304 Zircon Dr. SW</u> <u>Lakewood, Wa. 98498</u></p> <p>Contact Name: <u>Stan Johnson</u></p> <p>Telephone Number: <u>(253) 973 - 2476</u></p> <p>Fax Number: <u>(253) 475 - 6328</u></p> <p>E-mail Address: <u>stanj@vilair.com</u></p>	<p>(4)</p> <p>a) Submission Date <u>June 14, 2007</u></p> <p>b) Data Month <u>May</u></p> <p>c) Type of filing (Check one): <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision</p> <p>d) State Reporting <u>Florida</u></p>
---	---

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>	x \$ <u>6.50</u>	= \$ <u>44817.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support (6)	<u>6,895</u>	x \$ <u>1.75</u>	= \$ <u>12066</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support (7)	<u>6,895</u>	x \$ <u>1.75</u>	= \$ <u>12066</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 \$ \$68,950.00 (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>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> 15c)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)	Incremental cost of providing TLS (16)	Number of subscribers for whom TLS initiated (17)	Total TLS dollars claimed
	<u>\$4.368223</u>	<u>6,895</u>	\$ <u>\$30,118.901</u> (18)

Presubscribed 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
	<u>0</u>	<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>\$131,918.9010</u> <i>AT</i>	



LIFELINE AND LINK UP WORKSHEET

Docket No. 080065-TX  
Exhibit IT-2 (Page 104 of 128 )  
Non-Confidential Portion of Audit Work Papers

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. 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>stanj@vilair.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>6,145</u>	x	<u>\$ 6.50</u>	=	<u>\$ 39942.5</u>
Tier 2 Low-Income Subscribers receiving federal Lifeline Support	(6)	<u>6,145</u>	x	<u>\$ 1.75</u>	=	<u>\$ 10754</u>
Tier 3 Low-Income Subscribers receiving federal Lifeline Support	(7)	<u>6,145</u>	x	<u>\$ 1.75</u>	=	<u>\$ 10754</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 \$ \$61,450.00 (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>951</u>		<u>0</u>		<u>951</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)

\* For multiple rates, use an average amount

Toll-Limitation Services (TLS)				Total TLS dollars claimed
Incremental cost of providing TLS	(16)	<u>\$1.162498</u>		
Number of subscribers for whom TLS initiated	(17)	<u>6,145</u>		<u>\$ 7,143.550</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>\$61,450.0000</u>	Total TLS	\$ <u>\$7,143.5500</u>
Total Link Up	\$	<u>\$28,530.0000</u>	Total PICC	\$ <u>0</u>
		Total Dollars		\$ <u>\$97,123.5500</u>

SOURCE



If you have any questions, please call USAC at (866) 873(USF)-4727 Toll Free

18-12

Vilarie Communications, INC. (VCI)  
TERMINATION  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed 

OBJECTIVE:

To verify that the company allows subscribers 60 days following the date of impending termination letter.

WORK PERFORMED:

- 21
- 1) Obtained a document from the company stating that VCI send a separate letter from the Bill informing the customer of the termination, and give the customer 60 days to appeal.
  - 2) On asking VCI for sample of termination letters, and next three bills subsequent to the termination letters of each customer terminated, the company responded that there are no customers that are terminated because of ineligibility, as the company had not been in Florida for the entire year. 21-1  
VCI's first verification of continued eligibility for Florida customers will be conducted in January of 2008.

CONCLUSION:

Workpaper are included. No further work performed.

SOURCE As Indicated

Lead 21

### VCI POLICY REGARDING NOTIFICATION OF CUSTOMER INELIGIBILITY

FCC and some state rules require that customers who are deemed ineligible for Lifeline or Link-Up service have a minimum of 60 days to appeal the agency determination of ineligibility. When VCI discovers that a customer is ineligible for Lifeline and/or Link-Up service, the customer must be mailed a letter informing the customer that the customer has been deemed ineligible, their Lifeline and/or Link-Up service will be continued for sixty days to permit the customer to appeal the agency determination of ineligibility and that if the customer cannot provide proof of eligibility by the end of the sixty-day period, the customer can either switch to another carrier or be billed for local exchange service by VCI at the non-Lifeline rate.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response on termination  
10/20/07

termination process

SOURCE



Request No. 21

- a. Please provide a list of customers that were terminated in accordance with 54.410(d).
- b. Please provide a copy of the termination letters that were sent to the above stated customers.
- c. Please provide the next three bills subsequent to the termination letters of each customer terminated.

Response: There is no section (d) of 47 C.F.R. 54.410. If you are requesting a list of customers terminated pursuant to 47 C.F.R. 54.410(c), Verification of continued eligibility, VCI did not conduct a verification in 2007 because it had not yet been in Florida for an entire year in January 2007. VCI's first verification of continued eligibility for Florida customers will be conducted in January of 2008. No Florida customers have been terminated for ineligibility.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

VCI response to document request  
w/pt IT

SOURCE



21-1

Vilare Communications, INC. (VCI)  
LINE COUNT  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed

OBJECTIVE:

To verify the amounts that were submitted for each period on forms FCC 497. To confirm that duplicate telephone numbers were not included in the subscriber listings, nor that the carrier misclassified single-line businesses, multi-line business and residential.

WORK PERFORMED:

- 22-16 1) Obtained lists of customers names, Phone numbers, addresses, for Each of LifeLine and LinkUp Programs.
- 22-16 2) Compare the number of Customers on the lists to the number of customers reported on FCC497 forms.
- ↓ 3) Check for duplicate phone numbers on each of LifeLine and LinkUp List.
- 18-12 4) Reconcile the amounts reported on forms FCC497 to the tariff.
- 10 5) Verify the classification of customers.
- 13

CONCLUSION:

Through verifying the phone numbers on the subscriber listing, the auditor staff found that there are duplications in the subscriber listings of LinkUp program (See Finding No. 3). There is a total of 1,092 duplicate phone numbers in the LinkUp Program listing.

Vilare Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description *line count*

W/IT

WC 06-214

Docket No. 080065-TX  
Exhibit IT-2 (Page 109 of 128)  
Non-Confidential Portion of Audit Work Papers

FILED/ACCEPTED

DEC - 4 2006

Federal Communications Commission  
Office of the Secretary

VCI Company  
P.O. Box 98907  
Lakewood, WA 98496-8907  
Telephone: (253) 830-0056  
Facsimile: (253) 475-6328

*Via Overnight Delivery*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Re: VCI Company - Section 63.71 Application of Authority to Discontinue  
Local Exchange Services in Oregon and Washington

Dear Ms. Dortch:

Enclosed are an original and five (5) copies of VCI Company's Section 63.71 Application for Authority to Discontinue Local Exchange Services in Oregon and Washington, filed pursuant to Section 214(a) of the Telecommunications Act of 1934, as amended and Section 63.71 of the Commission's rules. A copy of this application has been sent to Carmell Weathers via electronic mail at [carmell.weathers@fcc.gov](mailto:carmell.weathers@fcc.gov). With this application, VCI requests authority to discontinue services in Washington on January 1, 2007 and in Oregon on February 1, 2007.

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 regarding this filing may be directed to me at the telephone and facsimile numbers above or via electronic mail at [staceyk@vcicompany.com](mailto:staceyk@vcicompany.com).

Sincerely,

VCI Company

*Stacey A. Klinzman*  
Stacey A. Klinzman  
Regulatory Attorney

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response on discontinuing service

Discontinuing service in Oregon & Washington 24

SOURCE



FILED/ACCEPTED

DEC - 4 2006

Federal Communications Commission  
Office of the Secretary

Before the

FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

In the Matter of	)	
Section 63.71 Application of	)	
VCI Company	)	WC Docket No. _____
For Authority to Discontinue	)	
Local Exchange Services in	)	
Oregon and Washington	)	

SECTION 63.71 APPLICATION

VCI Company ("VCI"), through its undersigned counsel, hereby files this Application to discontinue providing local exchange services in the States of Oregon and Washington, pursuant to Section 63.71 of the Commission's rules, 47 C.F.R. § 63.71, and Section 214(a) of the Communications Act of 1934, as amended. Specifically, VCI is seeking to discontinue the provision of flat rate, basic local exchange service and ancillary services, such as custom calling features, to non-federal governmental customers in Qwest Communications, Inc.'s ("Qwest") service areas in Oregon and Washington. Service will be discontinued upon approval of this Application by the Federal Communication Commission ("Commission") and approval of service discontinuance notices filed by VCI with the Public Utility Commission of Oregon ("PUCO") and the Washington Utilities and Transportation Commission ("WUTC").

Because VCI is a designated Eligible Telecommunications Carrier in both Oregon and Washington, VCI has filed or is in the process of filing with these entities notices of relinquishment of ETC status pursuant to 47 C.F.R. § 54.205.

In support of this Application, VCI submits the following information:

I. Description of Discontinuance

1. Name and address of carrier.

VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, Washington 98409-9050

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI request on discontinuing serv

11/07/06

Correspondence and communications concerning this Application should be directed to:

SOURCE



24-1

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

Stacey A. Klinzman  
Regulatory Attorney  
VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, Washington 98409-9050  
Telephone: 253.830.0056  
Facsimile: 253.475.6328  
Electronic mail: [staceyk@vcicompany.com](mailto:staceyk@vcicompany.com)

And to:

Stan Efferding  
Secretary/Treasurer  
VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, Washington 98409-9050  
Telephone: 253.830.0051  
Facsimile: 253.475-6328  
Electronic mail: [vilaire@comcast.net](mailto:vilaire@comcast.net)

2. Date of planned service discontinuance.

The anticipated date for the discontinuance of local exchange services is upon approval of this application by the Commission, and further approval by the Public Utility Commission of Oregon and Washington Utilities and Transportation Commission. Under state commission rules, VCI expects that the WUTC will approve service discontinuance on January 1, 2007 and that the OPUC will approve service discontinuance on February 1, 2007.

3. Points of geographic areas of service affected.

By this Application, VCI seeks authority to discontinue the provision of local exchange services, specifically basic local service and ancillary services, such as custom calling features, throughout its Oregon and Washington service areas.

4. Brief description of the type of service affected.

VCI provides flat rated, basic local exchange service permitting customers unlimited calling within the local calling area, and ancillary services in Qwest's Oregon and Washington service areas. Upon approval of this Application by the Commission and approval of VCI's requests to cease providing service filed with the PUCO and WUTC, VCI intends to discontinue providing all services in the States of Oregon and Washington. VCI will not be abruptly discontinuing service to its customers. Existing customers will continue to be served by VCI



Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

until they switch to another carrier or are disconnected for nonpayment of bills.

5. Brief description of the dates and methods of notice to all affected customers.

Written notice to all affected customers substantially in the form of the sample letters attached as Exhibit A was mailed to customers on November 29, 2006. As of the date of filing of this Application, VCI provides local exchange telecommunications service to 1,629 Oregon customers and 17, 258 Washington customers.

6. Non-dominance of the carrier with respect to the service to be discontinued.

VCI is non-dominant with respect to the services that it proposes to discontinue.

7. Service.

In accordance with 47 C.F.R. § 63.71(a), VCI has mailed copies of this Application to the PUCO and the WUTC. Copies of this Application also have been sent to Governor Kulongoski of Oregon, Governor Gregoire of Washington, and to the Secretary of Defense.

## II. Circumstances of Discontinuance

As part of VCI's plan to ensure the continued long-term profitability of the Company, VCI has determined to discontinue providing basic local exchange service and ancillary services in Oregon and Washington. As a result of recent Commission decisions deregulating the prices of network element combinations, and Incumbent Local Exchange Carrier cost increases, service in these states has become cost prohibitive for the company. Service only can be maintained by increasing rates and charges to the consumer or to the detriment of overall company operations and the quality of service to other customers. VCI's desire to maintain its position in a competitive market requires it to discontinue serving customers in these states.

Qwest is the incumbent local exchange carrier in VCI's Oregon and Washington service areas. Many competitive carriers have been certified to provide service in Qwest's service areas. In addition to Qwest, competitive wireline and wireless carriers have been designated as ETCs in Qwest's Oregon and Washington service areas. Thus, alternative service providers are readily

SOURCE



24-5

available to serve VCI's customers. Finally, VCI does not provide a unique service that would be difficult for consumers to find elsewhere. Residential, flat rated, basic local exchange service, permitting unlimited calling within the customer's local service area is a common service readily available to VCI's current customers through Qwest and authorized competitive carriers in Qwest's service areas in Oregon and Washington.

III. Conclusion

VCI believes that the proposed discontinuance of service in Oregon and Washington is reasonable and necessary. As VCI will not be abruptly disconnecting service to customers and alternate carriers are available to serve consumers residing in VCI's service area, the discontinuance of service should not be unduly disruptive to the present or future public convenience and necessity. For the foregoing reasons, VCI respectfully requests, pursuant to Section 214(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(a), and Section 63.71 of the Commission's Rules, 47 C.F.R. § 63.71, that the Commission permit it to discontinue the provision of local exchange services to customers residing in Oregon and Washington.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response on [unclear]

Respectfully submitted,

VCI Company

By: Stacey A. Klinzman  
Stacey A. Klinzman  
Regulatory Attorney  
VCI Company  
2228 S. 78<sup>th</sup> Street  
Tacoma, Washington 98409-9050

SOURCE



### Anti-Drug Abuse Act Certification

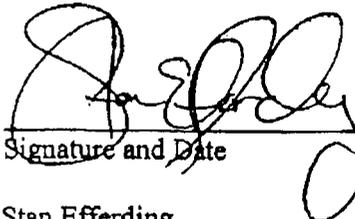
Answer YES if all parties to the application are in compliance with Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, the federal law which provides federal and state court judges the discretion to deny federal benefits to individuals convicted of offenses consisting of the distribution of controlled substances. For a definition of "party" for these purposes, see 47 C.F.R. Section 1.2002(b). See also Amendment of Part 1 of the Commission's Rules to Implement Section 5301 of the Anti-Drug Abuse Act of 1988, 6 FCC Rcd 7551, 57 Fed. Reg. 00186 (1991).

X \_\_\_\_\_ YES      NO \_\_\_\_\_

By checking yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a party for these purposes, see 47 C.F.R. Section 1.2002(b).

I certify that the statements made in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

VCI Company  
Name of Applicant

 11/29/06  
Signature and Date

Stan Efferding  
Printed Name of Person Signing

Secretary/Treasurer  
Title

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response and discontinued service  
11/29/06

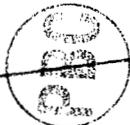
SOURCE



EXHIBIT A  
NOTICES TO AFFECTED CUSTOMERS  
(Attached)

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response on discontinuation of service  
11/09/07

SOURCE



VCI COMPANY, P.O. Box 98907  
Lakewood, Washington 98496-8907  
Telephone: 800-923-8375

November 29, 2006

Docket No. 080065-TX  
Exhibit IT-2 (Page 116 of 128 )  
Non-Confidential Portion of Audit Work Papers

Customer Name  
Address  
State, Zip

RE: Notice of Intention to Discontinue Providing Local Exchange Services in  
Oregon

Dear Customer:

VCI Company ("VCI") has filed an application with the Federal Communications Commission ("FCC") to discontinue providing local exchange service in Oregon. Service discontinuance will not begin until approval of VCI's application before the FCC, and until the Public Utility Commission of Oregon ("PUCO") has approved VCI's request to discontinue service. **Subject to approval by the FCC and the PUCO, the anticipated date when VCI will no longer provide local exchange service is February 1, 2007.**

Prior to the date of service discontinuance, VCI will continue to be your basic local service provider unless you switch to another local exchange carrier or are disconnected for non-payment for service. Several other carriers, including Qwest Communications, Inc., are authorized to serve customers in your area and are able to serve Lifeline and Link-Up eligible consumers at reduced rates. **Your action is required! You must contract with a new service provider as quickly as possible or you may lose your services. Please select a new carrier as soon as possible to avoid any interruption of service.**

The FCC normally will authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the FCC releases public notice of the proposed discontinuance. Address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20054, and include in your comments a reference to the Sec. 63.71 Application of VCI Company. Comments should include specific information about the impact of this proposed discontinuance upon you, including any inability to acquire reasonable substitute service.

VCI appreciates the opportunity it has had to serve you. If you have any questions regarding VCI's service discontinuance, please contact Customer Service at 800-923-8375.

VCI Company

SOURCE



VCI COMPANY, P.O. Box 98907  
Lakewood, Washington 98496-8907  
Telephone: 800-923-8375

November 29, 2006

Customer Name  
Address  
State, Zip

RE: Notice of Intention to Discontinue Providing Local Exchange Services in  
Washington

Dear Customer:

VCI Company ("VCI") has filed an application with the Federal Communications Commission ("FCC") to discontinue providing local exchange service in Washington. Service discontinuance will not begin until approval of VCI's application before the FCC, and until the Washington Utilities and Transportation Commission ("WUTC") has approved VCI's request to discontinue service. Subject to approval by the FCC and the WUTC, the anticipated date when VCI will no longer provide local exchange service is January 1, 2007.

Prior to the date of service discontinuance, VCI will continue to be your basic local service provider unless you switch to another local exchange carrier or are disconnected for non-payment for service. Several other carriers, including Qwest Communications, Inc., are authorized to serve customers in your area and are able to serve Lifeline and Link-Up eligible consumers at reduced rates. Your action is required! You must contract with a new service provider as quickly as possible or you may lose your services. Please select a new carrier as soon as possible to avoid any interruption of service.

The FCC normally will authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the FCC releases public notice of the proposed discontinuance. Address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20054, and include in your comments a reference to the Sec. 63.71 Application of VCI Company. Comments should include specific information about the impact of this proposed discontinuance upon you, including any inability to acquire reasonable substitute service.

VCI appreciates the opportunity it has had to serve you. If you have any questions regarding VCI's service discontinuance, please contact Customer Service at 800-923-8375.

VCI Company

SOURCE



I hereby certify that the foregoing Section 63.71 Application of VCI Company was served this 29th day of November , 2006, by providing true and correct copies thereof to the following persons at the addresses appearing below:

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, MD 20743  
(via Overnight Delivery)

Vikie Bailey-Goggins  
Public Utility Commission of Oregon  
550 Capital St. NE #215  
Salem, OR 97301-2551  
(via electronic mail and U.S. mail, 1<sup>st</sup> class, postage prepaid)

Ms. Carole Washburn  
Executive Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250  
(via electronic mail: records@wutc.wa.gov)

The Honorable Theodore R. Kulongoski  
Governor of the State of Oregon  
254 State Capitol  
Salem, Oregon 97310  
(via U.S. mail, 1<sup>st</sup> class, postage prepaid)

The Honorable Christine Gregoire  
Office of the Governor  
P.O. Box 40002  
Olympia, WA 98504-0002  
(via U.S. mail, 1<sup>st</sup> class, postage prepaid)

Secretary of Defense  
Special Assistant for Telecommunications  
Pentagon, Washington, D.C. 20301  
(via U.S. mail, 1<sup>st</sup> class, postage prepaid)

  
\_\_\_\_\_  
Sue Willett

SOURCE \_\_\_\_\_



Vilairie Communications, INC. (VCI)  
TOLL LIMITATION SERVICE  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed



OBJECTIVE:

To verify the TLS amounts reported on forms FCC 497 are reasonable. The Toll Limitation Service is required by the Customer, and the incremental costs reported on forms FCC 497 do not include joint and common costs..

WORK PERFORMED:

- 26 1) Requested the company to provide the details of the incremental costs for the months June 2006, July 2006, and May 2007.
- 26-1 2) Compare the details of the incremental costs of the three months to the Rates and charges of the Carrier Bell South.
- 25-7 3) Verify with the company that the toll limited service is selected by the Customer, and not required by the Carrier.

CONCLUSION:

The company provided confidential documents (See WP. 26) about a certain discount percentage that BELL SOUTH offers them for recurring and non-recurring costs. Also the company provided Bell South Tariff of recurring and non-recurring costs.

Work paper are included in both files. No further work preformed.

Vilairie Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description

Lead 25 & 26

SOURCE As Indicated

Vilare Communications, INC. (VCI)  
TOLL LIMITATION SERVICE  
Twelve Month Period Ended June 30, 2007  
Summary Of Work Performed

OBJECTIVE:

To verify the TLS amounts reported on forms FCC 497 are reasonable. The Toll Limitation Service is required by the Customer, and the incremental costs reported on forms FCC 497 do not include joint and common costs..

WORK PERFORMED:

- 26 1) Requested the company to provide the details of the incremental costs reported on Forms FCC-497 for each of the months June 2006, July 2006, and May 2007.
- 26-1 2) Compare the details of the incremental costs of the three months to the Rates and charges of the Carrier Bell South.
- 2007 3) Verify with the company that the toll limited service is selected by the Customer, and is not required by the Carrier.

CONCLUSION:

The company provided confidential documents (See WP. 26) about a certain discount percentage that VCI got from its sole underlying Carrier for recurring and non-recurring costs. Also the company provided its sole underlying Carrier Tariff for recurring and non-recurring costs.

Work paper are included in both files. No further work preformed.

Vilare Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description Toll Limitation Service

17

Lead 25 & 26

SOURCE As Attached



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

Via Electronic Mail

June 15, 2007

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description toll limitation service w/ot 2/

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.

SOURCE



25

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.

SOURCE



25-1

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.

SOURCE



25-2

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.

SOURCE



25-3

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.

SOURCE



25-4

117-9 17

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.

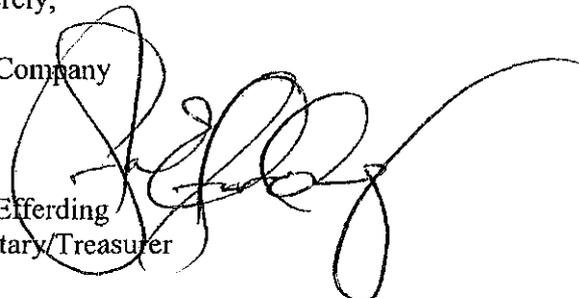
Because VCI actively educates consumers and encourages low-income customers to utilize this very important cost management tool, VCI customers participate in toll blocking in larger numbers than those of other carriers.

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

Sincerely,

VCI Company

Stan Efferding  
Secretary/Treasurer



SOURCE



25-5

# VCI Company

Docket No. 080065-TX  
Exhibit IT-2 (Page 127 of 128)  
Non-Confidential Portion of Audit Work Papers

P.O. Box 98907  
Lakewood, WA 98496-8907  
Phone: (800) 923-8375  
Fax: (253) 475-6328

## Via Overnight Delivery

October 25, 2007

Intesar Terkawi, Auditor  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Audit Control No. 07-250-1-2

Dear Ms. Terkawi:

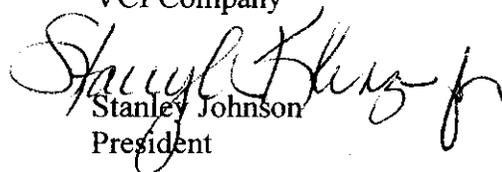
Attached is Vilaire Communications, Inc.'s (the "Company" or "VCI") Response to Audit Request No. 25.

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

Questions regarding this Response may be directed to me at (253) 973-2476 or [stanj@vcicompany.com](mailto:stanj@vcicompany.com).

Sincerely,

VCI Company

  
Stanley Johnson  
President

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007  
Description VCI response to Document Request 25

SOURCE



25-6

Audit Request No. 25

1. Please explain whether the toll limited service is actually being selected by a particular low income customer or is being required by the Carrier.
2. Please provide the support for either answer.

Response to: As stated in the Company's responses to the Florida Public Service Commission's letter of May 4, 2007, submitted in Response to Audit Request No. 6, Attachment E, the Company does not automatically enroll its customers in toll blocking. 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."

Please refer to Attachment E for additional information re: the Company's offering of toll limitation service to Florida consumers.

Vilaire Communications, Inc.  
Phone Audit Control No. 07-250-1-2  
From June 1st, 2006 - June 30th, 2007

Description VCI response to Document Request 25

1/10/07 JT

SOURCE



25-9

*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 Intesar Terkawi, Appearing On Behalf Of Staff*

*EXHIBIT IT-3: Confidential Portion of Audit Work Papers*

DOCUMENT NUMBER-DATE

02802 APR 10 8

FPSC-COMMISSION CLERK

Docket No. 080065-TX  
Exhibit IT-3

**CONFIDENTIAL**  
**EXHIBIT IT-3**