

OH	300682	FRONTIER CO
OH	305062	CINCINNATI TEL
OH	305150	OHIO BELL TEL
OK	431165	VALOR TELECOM
OK	431704	LAVACA TELEPHONE
OK	431730	TANOKIA TELEPHONE
OK	431831	SOUTH CENTRAL TEL ASS
OK	431965	ALLTEL OKLAHOMA, INC.
OK	431966	ATLANTA TELEPHONE CO
OK	431968	BEGGS TELEPHONE CO
OK	431969	BIXBY TELEPHONE CO
OK	431974	CANADIAN VALLEY TELE
OK	431976	CARNEGIE TELEPHONE CO
OK	431977	CENTRAL OKLAHOMA TEL
OK	431979	CHEROKEE TELEPHONE CO
OK	431980	CHICKASAW TELEPHONE CO
OK	431981	CHOUTEAU TELEPHONE CO

Public Utility and Telecommunications Consulting

# Rolka Loube Saltzer Associates

David W. Rolka  
President  
Voice: 717-231-6661  
drolka@r-l-s-a.com  
www.r-l-s-a.com  
FEIN: 30-0410008

October 4, 2007

Transmittal Page for the Proposal to administer the IUSF 2007-2009

RFP Proposal for IUSF Administrator  
c/o General Counsel Scott Storms  
Indiana Utility Regulatory Commission  
101 West Washington Street  
Suite 1500E  
Indianapolis, IN 46204

Dear Oversight Committee:

On behalf of Rolka Loube Saltzer Associates ("RLSA"), I am pleased to forward this Proposal for Administration of the State of Indiana Universal Service Fund (IUSF). Enclosed is a cover letter, an electronic copy of our proposal on compact disc, a signed original and three paper copies of our proposal.

I am authorized to present this proposal and acknowledge the obligations of any contract awarded in connection with this proposal. I further acknowledge that my signature represents RLSA's honor to fulfill the requirements of any contract awarded in connection with this proposal.

We look forward to addressing any questions that you may have, and look forward to the results of the evaluation of our Proposal and the Commission's decision to award a contract to us for the period beginning December 14, 2007.

Sincerely,

---

David Rolka, President

Enclosures

OH	300682	FRONTIER CO
OH	305062	CINCINNATI
OH	305150	OHIO BELL TEL
OK	431855	VALOR TELECO
OK	431704	LAVACA TELEPH
OK	431831	SOUTH CENTRAL TEL AS
OK	431965	ALLTEL OKLAHOMA, INC.
OK	431966	ATLA TELEPHONE CO.
OK	431968	BEGGS TELEPHONE COM
OK	431969	BIXBY TELEPHONE CO.
OK	431974	CANADIAN VALLEY TELE
OK	431976	CARNEGIE TELEPHONE C
OK	431977	CENTRAL OKLAHOMA TEL
OK	431979	CHEROKEE TELEPHONE C
OK	431980	CHICKASAW TELEPHONE C
OK	431981	CHOUTEAU TELEPHONE C

Public Utility and Telecommunications Consulting

# Rolka Loube Saltzer Associates

David W. Rolka  
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FEIN: 30-0410008

October 4, 2007

Cover Letter for the Proposal to administer the IUSF 2007-2008

RFP Proposal for IUSF Administrator  
c/o General Counsel Scott Storms  
Indiana Utility Regulatory Commission  
101 West Washington Street  
Suite 1500E  
Indianapolis, IN 46204

Dear Oversight Committee:

On behalf of Rolka Loube Saltzer Associates (“RLSA”), I am pleased to forward this Proposal for Administration of the State of Indiana Universal Service Fund (IUSF).

Any questions or correspondence regarding this proposal should be directed to David W. Rolka, President, Rolka Loube Saltzer Associates.

David W. Rolka  
President, Rolka Loube Saltzer Associates  
One South Market Square  
Twelfth Floor  
Harrisburg, Pennsylvania 17101  
Voice: (717) 231-6661  
Fax: (717) 231-6667  
e-mail: [drolka@r-l-s-a.com](mailto:drolka@r-l-s-a.com)

As this proposal demonstrates, we have intimate knowledge of the Indiana Universal Service Fund history, procedures and participants. We have many years of experience administering state universal service programs as well as a thorough knowledge of and experience working on federal programs with the Universal Service Administrative Company.

I am authorized to negotiate a contract to perform the duties of the Administrator of the Indiana Universal Service Fund identified in this Proposal, and if we are selected as administrator, I will serve as the primary contact regarding the administration of the fund. I further acknowledge that my signature represents RLSA’s honor to fulfill the requirements of any contract awarded in connection with this proposal.

We look forward to addressing any questions that you may have, and look forward to the results of the evaluation of our Proposal and the Commission's decision to award a contract to us for the period beginning December 14, 2007.

Sincerely,

---

David Rolka, President

Enclosures



**Proposal of Rolka Loube Saltzer Associates (“RLSA”) to Administer the  
Indiana Universal Service Fund  
during the period December 14, 2007 thru December 31, 2008  
with a possible two year extension for the period  
January 1, 2009 through December 31, 2010**

This proposal addresses all of the requirements of the RFP and is submitted in the format outlined below, as provided and required by Part III.1 through III.13, by project for the administration of the Indiana Universal Service Fund.

Summary of Part III sections to follow:

- 1. Statement of Expected Activity**
- 2. Work Summary**
- 3. Preliminary Work Plan**
- 4. Prior Experience**
- 5. Personnel**
- 6. Statement of Potential Conflicts of interest**
- 7. Cost and Price Analysis**
- 8. Time Estimates**
- 9. Statement of Confidentiality**
- 10. References**
- 11. Statement of Understanding**
- 12. Financial Statements**
- 13. Equal Employment Opportunity Policy**

### **1: Statement of Expected Activity**

RLSA will act as trustee and administrator of the Indiana Universal Service Fund as described within the Indiana Utility Regulatory Commission Cause No. 42144 and related documents and orders. RLSA will enforce and implement all Indiana Utility Regulatory Commission Orders, Rules and Directives governing the funding, collections and eligibility for the IUSF. This activity includes but is not limited to:

- Identification of participants
- Ensuring provider compliance
- Providing clarification to providers
- Providing informative packages to providers
- Reporting of carrier reported revenues, fund performance, delinquencies, collection efforts, correspondence, fund disbursements and receipts
- Developing and providing a remittance worksheet and instructions
- Developing and providing a reporting schedule to providers
- Resolving provider disputes regarding the amount of a provider's contribution
- Accepting remittance of provider payments
- Reviewing and validating information from providers
- Auditing of the financial records of a provider  
(If and as directed by the Commission on a per diem basis)
- Determination and notification to providers of delinquencies
- Assessment of late payment charges on delinquent payments
- Preparing and providing to the Commission, any details surrounding appeals by a provider
- Preparation and provision of documentation regarding collection efforts
- Distributing funds from the fund directly to carriers
- Providing electronic payments when possible
- Maintenance and storage of data within a database
- Calculation of the surcharge percentage, at least annually
- Investing of the cash resources of the fund
- Reinvestment of interest earned
- Preparation and submission of monthly and annual reports to the Commission
- Cooperation with the Commission and any successor administrator to transfer funds, records and documents accrued during the contract period
- Establishing and maintaining a web page with related forms, details, information, rate(s) and contact information

All of these activities will be performed throughout the contracted period of December 14, 2007 through December 31, 2008, as appropriate and necessary to administer the IUSF. Certain reports will be generated and provided on a monthly basis while others will be created once per year, as later described in the work plan. The same activities will be continued January 1, 2009 through December 31, 2010, if the contract is extended to include that period.

## **2: Work Summary**

### **Identification of participants**

According to the RFP, an Interim Administrator has been engaged in order to establish a list of the names and addresses of contributors and recipients. RLSA will coordinate the transfer of that information and all information necessary for administration of the IUSF in the most economical fashion. RLSA will also continue to identify carriers and build a database of details about each company throughout the contract period.

### **Ensuring provider compliance**

RLSA will ensure carrier compliance by advising them of IUSF practices and procedures via written correspondence. Telephone correspondence will be employed in some cases, particularly when written communication is not effective.

### **Providing clarification to providers**

RLSA will be available and responsive to all interested parties during normal business hours. RLSA hosts a website which contains a wide variety of current and historical information, forms, and instructions regarding the operation of client USF programs, as well as information on how we can be contacted by mail, telephone, voice mail, fax or e-mail. Upon the request of a carrier or agent thereof, RLSA will provide written or oral information or clarification concerning the IUSF requirements and/or explanation of existing policy. Reasonable care will be exercised to ensure that the explanations or clarifications are consistent with IURC orders, entries, rules and Indiana statutes. A record of interpretations will be maintained separate from the regular administration details and a copy will be sent to the Commission within 10 days of the time of the communication.

### **Providing informative packages to providers**

Each carrier will be provided with a letter of introduction and information about Universal Service Fund, the rules, procedures and expectations. The package will contain reference to the appropriate orders, statutes and regulation that form and affect the Universal Service Fund. The carriers will also be provided with a remittance worksheet for the period(s) to be reported, a sample and instructions for completion. This information will also be available on the web site at: <http://www.r-l-s-a.com/Indiana>.

### **Reporting of carrier reported revenues, fund performance, delinquencies, collection efforts, correspondence, fund disbursements and receipts, unaudited financial statements, annual reports**

Monthly reports will be prepared by RLSA and forwarded to the Commission. They will contain summary and detailed information about the fund's financial transactions including fund receipts, expenses and the overall fund performance. Other reports can be generated quarterly, annually or as desired, requested or required, which detail delinquent accounts, carrier reported

revenues, collection efforts, carrier correspondence and a list of participants as examples of the available report types.

### **Developing and providing a remittance worksheet and instructions**

RLSA will develop a carrier remittance worksheet for each annual period for which RLSA is the administrator, during the contract period and during the optional two year extension. A corresponding sample worksheet and instructions will accompany the distribution and be available on the RLSA web site. New carriers will be provided with this information as part of their introductory package while existing carriers will be provided with the information in the usual correspondence that RLSA will provide every month.

### **Developing and providing a reporting schedule to providers**

Annually, RLSA will develop a reporting schedule which will be integrated into the remittance worksheet and filing instructions. This way, the filing schedule and remittance worksheet cannot be separated and helps to ensure carrier compliance.

### **Resolving provider disputes regarding the amount of a provider's contribution**

RLSA will attempt to resolve any carrier disputes regarding the amount of their contribution informally by telephone or in writing as necessary. Documentation will be maintained of such disputes so that should the carrier wish to appeal to the Commission, a report will be provided which includes the documentation supporting the administrator's position regarding the dispute.

### **Accepting remittance of provider payments**

RLSA will establish a dedicated fund specific lockbox with Manufacturers and Traders Bank Trust Division (M&T Bank) for the purpose of receiving carrier contributions to the IUSF. Check, ACH and EFT payments will be accepted into the fund. RLSA will document the receipt of all payments and relate them to carrier accounts. Each payment will be applied to the carrier account and credited toward a specific debt or debts that may have been indicated on the payment or received with the payment.

### **Reviewing and validating information from providers**

RLSA has developed many validation procedures to catch and minimize potential errors on remittance worksheets. Many techniques are actually embedded in the worksheet which when completed electronically prevent carriers from providing incomplete, incorrect and erroneous information before they even send the worksheet to us for processing. Upon data entry, mathematical calculations are checked as are carrier revenue trends. Contact information that is provided on each submission is also updated and validated. Sample worksheets are available and instructions for the completion of many aspects of the worksheet are also embedded in the worksheet to assist carriers that complete the worksheets electronically rather than on paper. Complete sets of comprehensive instructions are also available to carriers and their agents. RLSA proposes to rely on a certification appearing on the Carrier Revenue Report

and Invoice which requires carriers to attest to the authenticity of the information provided for purposes of the Fund. RLSA has substantial experience in the development of Forms and has assisted in the development of several of the Forms used by the Federal High Cost Fund Administrator, USAC. We have also assisted in the administration of the data gathered using those forms and developed data validation tools and techniques for USAC.

### **Auditing of the financial records of a provider**

As directed by the Commission, RLSA will provide auditing services to examine and review the financial records of one or more carriers, on a per diem basis.

### **Determination and notification to providers of delinquencies**

RLSA maintains a table of expected filings and remittances for each carrier account. When the deadline for each of those filings has been missed, a notification is added to the carrier's monthly statement of account information which identifies the delinquent filing and/or balance. Most carriers are notified by email while those who have not provided at least one email address, are corresponded with by US mail. Carriers who fail to respond for longer durations are contacted by phone as well. All correspondence efforts are documented in a database.

### **Assessment of late payment charges on delinquent payments**

Each month, after the filing deadlines have passed, carrier accounts are evaluated to determine delinquency of missing reports and unpaid known assessment amounts. Estimates are made as to the unknown amounts and an estimated late payment charge is assessed based on the rules of the fund. We have found that a proactive approach to the imposition of an estimated penalty motivates carriers to get their reports and payments in by the filing due dates. Corrections to the estimated late payment charges are made as appropriate when the reports are received and actual values become known. Late payment penalties are applied to accounts in a manner consistent with the rules of the fund.

### **Preparing and providing to the Commission, any details surrounding appeals by a provider**

RLSA documents correspondence, mail and other items received and relates them to the appropriate carrier accounts. Should a carrier appeal to the Commission, RLSA can and will promptly prepare and provide to the Commission, any details surrounding the dispute. No carrier has ever found it necessary to escalate such a dispute with RLSA to the level of Commission intervention.

### **Preparation and provision of documentation regarding collection efforts**

RLSA will maintain a record of all correspondence and collection efforts, within a proprietary and custom designed database system prepared specifically for the administration of the IUSF. Records of the efforts made regarding any carrier account will be readily available and provided to the Commission as desired and/or on a regular interval.



### **Distributing support from the fund directly to carriers**

RLSA will contract with M&T Bank to provide financial services including the monthly distribution of funds through electronic means when available and via check when not available. Each supported carrier will be given the choice and opportunity to adjust their payment preferences as necessary. Distributions will occur only by explicit directions authorizing distributions from the fund.

### **Accepting electronic payments when possible**

RLSA will provide instructions to carriers who are able and willing to pay assessments electronically.

### **Maintenance and storage of data within a database**

The RFP indicates that the Interim Administrator is developing the necessary databases and processes to establish the fund. Based on our prior experience in transferring information from the interim administrator, RLSA will expeditiously coordinate the transfer of the funds and all information necessary for administration of the IUSF in the most economical fashion. Electronic data received will be stored on a secured server that is password protected and accessible by only those authorized to work with the administration files. A client/server configuration is employed to house the information within databases and file structures that ensure that security, backup and file protection standards are maintained. Weekly backups are stored off-site.

### **Calculation of the surcharge percentage, at least annually**

RLSA will determine the appropriate assessment rate applicable to contributing carriers at least once annually. It will be our goal to maintain a sustainable assessment rate for as long as feasible and adjust the rate only when necessary to prevent funding shortages or from accruing more reserve than necessary for 2 months of funding. Carriers will be advised of proposed rate changes with ample notice through regular correspondence, and posting on our website. We will also configure our reporting worksheets such that the assessment rate is automatically populated to further reduce confusion as to the applicable rate for any given reporting period.

### **Investing of the cash resources of the fund**

RLSA will instruct M&T Bank to invest proceeds, reserve monies, debt service monies, etc, in specific investment instruments with predetermined maturities and/or daily liquidity and in accordance with the applicable requirements of the Commission. M&T Bank, through its MTB Money Market Portfolios, offers an investment option with competitive yields and daily liquidity. The MTB U.S. Treasury Money Market Portfolio invests in U.S. Treasury bills, notes and bonds. These securities are direct obligations of the United States of America, and are backed by the full faith and credit of the U.S. Government.

**Reinvestment of interest earned**

Interest earned on each of the accounts established to administer the IUSF will be reinvested using the same strategy utilized for all other balances within the fund.

**Preparation and submission of monthly and annual reports to the Commission**

RLSA will provide to the Commission a comprehensive report regarding the IUSF fund performance each month. A report of aged receivables and delinquent filers will be prepared and supplied according to the frequency desired. Annual reports will provide details about the contributors and condition of the fund as specified within the requirements of the IUSF rules and or as prescribed by the Commission.

**Cooperation with the Commission and any successor administrator to transfer funds, records and documents accrued during the contract period**

RLSA will provide full cooperation and disclosure of information gathered and related to the administration of the IUSF during the term of contract, as well as the prompt and complete transfer of records to a successive administrator, after the conclusion of such term.

**Establishing and maintaining a web page with related forms, details, information, rate(s) and contact information**

RLSA currently maintains a website with specific details about each of the funds we administer. A page would be promptly designed and maintained to ensure that the information available on the Indiana page reflects the latest and most complete resource regarding the IUSF administration. The page will contain at least, an introduction and corresponding letter, forms and instructions, the consumer and carrier FAQs currently hosted by the IURC, contact details, rate information for various periods and a carrier identification list.

### **3: Preliminary Work Plan**

RLSA will administer the IUSF by adhering to a plan tailored specifically to meet the needs and requirements of the fund. To ensure that every effort is made to reach that goal, specific staff is identified and provided with tasks that their expertise relies upon to get the job done in the most efficient and accurate way. Certain tasks relate to the transition of the IUSF from the Interim Administrator while other tasks recur as described below.

Initial activity in preparation to engage in regular daily activities of administering the IUSF includes tasks related to the transition from the existing Interim Administrator as well as one-time tasks to configure and prepare for a new program under our care. This activity will commence upon execution of a contract to begin work on the IUSF and will continue as described, throughout the contract term (and beyond with regard to a few specifically identified tasks).

RLSA will open a new trust and lockbox account with M&T Bank and make arrangements with the Interim Administrator to transfer the fund balance into the new account in the most economical and efficient manner. RLSA will request and acquire the appropriate financial status and details of each account as well as the fund balance information from the Interim Administrator such that each carrier account's opening balance can be established and any outstanding payments, debts and obligations can be promptly addressed and satisfied.

M&T Bank uses Trust3000, a trust accounting system provided by SEI Investments. SEI Investments is a global provider of investment processing and asset management services to financial institutions; corporate and government entities; and professional investment counselors. M&T Bank has over 100 years of collective operations management staff experience, specific to SEI products and systems.

The Trust3000 system provides online, real-time accounting and reporting of all types of portfolios and investment assets. M&T Bank provides a wide variety of standard reports and has the ability to produce custom reports to meet our needs. M&T Bank also has a comprehensive and flexible distribution system to produce checks, ACH and wire transfers to any number of recipients.

The Corporate Trust Operations unit of M&T Bank Trust uses Sunguard programs including BondMaster/CertMaster to meet the processing and reporting requirements of bond issues. This system is a comprehensive bond accounting system used for bearer, book-entry and registered bond issues. Among the advantages of BondMaster/CertMaster are the support services M&T Bank Trust receives, including training, consulting, access to account representatives 24 hours a day, seven days a week, and assistance with conversion. Sunguard guarantees timely system updates, whenever necessary to accommodate changes in tax and regulatory requirements. The system is completely on-line and real-time. All file maintenance and accounting transactions are processed instantaneously and are stored immediately for retrieval at any time. The system is redundantly configured, so that it will recover fully from any hardware or software failure and the M&T Bank database will remain unconditionally secure.



Understanding what's important<sup>®</sup>

Personal Small Business Corporate Government Community My Accounts



### Who Is M&T

[M&T Structure](#)

[Divisions](#)

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## Who Is M&T

M&T Bank is considered one of the country's most highly regarded regional banks. We were founded more than 150 years ago in Western New York, where we are still headquartered. Our parent company, M&T Bank Corporation, had over \$57 billion in assets as of December 31, 2006 and is one of the 20 largest commercial bank holding companies in the U.S. Our customers are able to bank at over 650 branches throughout New York, Maryland, Pennsylvania, Washington, D.C., Virginia, West Virginia, New Jersey, and Delaware and be served by friendly and professional staff. In addition, our customers have access to a sizable ATM network of more than 1,500 locations as well as state-of-the-art telephone and Web Banking. M&T Bank is recognized for its financial strength and sound management. This strength, along with our entrepreneurial philosophy, has made it possible for us to pursue a course of well-managed growth.

At M&T Bank, we've built our business on a tradition of reliability, accuracy and responsiveness to the needs of our customers. We also believe strongly in taking an active role in the communities we serve. We are proud of our long history of civic and charitable support, including the leadership and volunteer efforts of our employees. We also feel that our focus on investing in state-of-the-art technology in order to provide high-quality banking services has been strongly endorsed by our customers. Most importantly, it has allowed us to grow without sacrificing our commitment to personal service. At M&T Bank, we pledge to work hard to earn your trust and your business. At M&T, you'll find that we are committed to understanding what's important to you, so we can provide the best solutions for all your financial needs.

### Quick Links

[Current Stock Information](#)



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Users of this website agree to be bound by the provisions of the M&T website [Terms and Conditions](#) and [Privacy Policy](#).

M&T Bank provides online access to their customer trust accounts via [www.mandtbank.com](http://www.mandtbank.com). The TrustOnline products allow M&T clients to view their account information and download it to industry financial compatible software, such as Quicken and Excel. In addition, the M&T technology group provides customized data feeds and extracts to its

larger client relationships in order to meet their specific business needs and system configurations.

M&T Bank will maintain a lockbox and receive payments from contributing telecommunications companies, and will provide RLSA with an itemized list of daily receipts and the paying carrier. M&T will also provide the means of accepting payments and making disbursements via electronic funds transfer. M&T Bank has provided these services to RLSA in conjunction with the Arkansas, Maine, Vermont and D.C. universal service programs.

As Trustee, RLSA will instruct M&T Bank to invest proceeds, reserve monies, debt service monies, etc, in specific investment instruments with predetermined maturities and/or daily liquidity and in accordance with the applicable requirements of the Commission or Indiana statutory law, in prior consultation with the Commission. M&T Bank, through its MTB Money Market Portfolios, offers an investment option with competitive yields and daily liquidity. The average maturity of underlying securities in this portfolio is 90 days or less.

The U.S. Government Money Market Portfolio is rated by two rating agencies:

- Standard & Poor's: AAAm
- Moody's Aaa

Several Independent audits of the Funds administered by RLSA reported on the Concentration of Credit Risk as Follows:

“The Fund maintains its cash balances at financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$100,000. Balances at the institutions exceed the insurable limit at December 31. Since the Fund maintains its cash balances at high quality credit institutions, it does not believe it is exposed to any significant credit risk on its cash balances.”

RLSA has decreased the risk associated with a concentration of Credit by moving the cash balances from a high quality credit institution to M&T Bank Corporate Trust Division which invests in U.S. Treasury bills, notes and bonds. These securities are direct obligations of the United States of America, and are backed by the full faith and credit of the U.S. Government. The average maturity of underlying securities in this portfolio is 90 days or less with no decrease in earnings.

A change of administration letter, or, depending on the correspondence already provided to carriers contacted by the Interim Administrator, an introductory letter will be created to initiate contact with telecommunications providers doing business in Indiana. This will be part of a package developed to include all of the materials and information needed by a carrier to report their revenues, remit assessments, contact the administrator and verify the rules, orders and statutes which define the parameters of the fund. If the Interim Administrator has created any of these materials, RLSA will evaluate the materials and adjust them, as necessary. If the Interim Administrator has not created such materials, RLSA will develop and publish all such materials and distribute those materials in the most expedient and economical method in order to reach each carrier. Instructions will be prepared and provided in PDF format while remittance

worksheets used to report revenues, will be prepared and provided in a Microsoft Excel format. A PDF or hardcopy of any of the materials will be provided when requested or needed due to incompatibility or lack of the availability of electronic contact information.

RLSA has been aggressive in developing advanced reporting worksheets that not only reduce the possibility of errors in reporting but that also self validate the currency of the form, the assessment rate being used and employ various techniques to prevent preparers from missing or misinterpreting the instructions for each data point. Filing deadlines are built into the worksheets along with information about the various methods of submitting the form and payment. Complex formulas check and advise the preparers of estimated late payment charges and the remittance that may be due after applying an account credit or outstanding balance. A sample of one of our fully enhanced worksheets can be found at [www.r-l-s-a.com/vermont/VTUSF2007-2008Worksheet.xls](http://www.r-l-s-a.com/vermont/VTUSF2007-2008Worksheet.xls).

RLSA will arrange with the Interim Administration for the transfer of the database(s) designed and set up for the purposes of identifying the names and addresses of contributors and recipients and for the administration processes of the fund. RLSA may transfer the data from such databases into a custom and proprietary system developed specifically for such fund administration. RLSA owns a database system that has all of the requirements of the IUSF built in and uses it for the successful administration of several other state subsidy programs. Each state program has separate records and database files and is completely separate from other state programs except in the way that the same personnel work on several different state programs. It is an advantage to be able to share data between the programs in order to identify carriers, keep up with contact information, acquisitions and other changes that occur in the industry. The similarity of each state database makes the programs familiar and efficient to keep up with the tasks required to administer the funds while each program also maintains its own unique elements designed specifically in response to the reports, rules and requirements of each program.

The RLSA secured database system also checks and alerts the user about potential data entry errors as well as incorrect or missing data, based on algorithms and comparative analysis of the data against trended data records. Previously reported revenues and uncollectibles are charted and visible during the data entry process for further examination. Carrier contact information as well as reporting frequency expectations, responses to open issues and late payment charges are all examined throughout various data entry screens. The system is designed to maximize the validation of data entry and updates to carrier information as well as to retain a thorough record of activity on each carrier account.

The database system provides the functionality to track all carrier accounts, assess late payment charges as well as provide reports on the financial status of accounts as well as the fund as a whole. RLSA will also establish separate accounting records to provide summary information for an additional check and balance system. RLSA reconciles the M&T bank reports with the internal database and accounting system records to ensure that all records are balanced from month to month. Monthly, quarterly and annual reports will be generated according to schedule and are detailed in the months that follow the transition. They are included within the tasks described in the appropriate sections below.

RLSA will develop a new publicly accessible web page for the Indiana USF specifically to include the published letter of introduction, report worksheets, instructions, carrier ID list, rate information and links to corresponding IUSF resources including FAQs on the Internet. The page will look similar to the other state program pages that are currently maintained and edited, as needed, to keep the information within them as current as possible. A sample can be viewed at [www.r-l-s-a.com/vermont](http://www.r-l-s-a.com/vermont).

<b>IUSF Transition Check List:</b>		
<b>Assigned to:</b>	<b>Task</b>	<b>Date finished</b>
DR	Finalize and sign the contract for administration of the funds	
DR, M&T	Initiate trust and lockbox agreements w/ M&T Corp Trust Department	
DR	Draft change of fund notice to IN service providers.	
MS	Designate IUSF area on web site	
DR	Make arrangements for the scheduled transfer of fund balances	
MS	Transition electronic copy of database(s) from Interim Administrator	
BE	Identify and establish chart of accounts for IUSF bookkeeping operations	
MS & RL	Edit all forms and instructions as necessary	
DR, BE, WF&D	Consult with auditors, on the current chart of accounts and related government audit requirements	
MS	Develop or modify the existing information package for distribution which includes:	
	Letter of introduction to the IUSF	
	Information on how to access copies of applicable statutes & rules	
	Reporting schedule & due date requirements	
MS	Create database reports for monthly carrier correspondence of activity, delinquencies, assessments, payment, late payment charges, filing frequency, contact information, assigned ID, next filing expectation and more	
MS	Create or update IUSF reporting schedule beyond 2007 for distribution	
MS	Identify any ongoing collection activities and determine course of action	
DR	Determine sufficiency of the fund	
DR	Clarify/Confirm the disbursement process and schedule	
DR	Identify outstanding disbursements and reimbursements	
RL	Put monthly trend analysis procedure in place	
MS	Database modifications and set up as necessary	
DR	Revise format of monthly status reports as necessary	
MS	Open RLSA accounting records and reports	
DR	Prepare non-disclosure agreements for RLSA staff / contractors	
DR	Prepare conflict of interest statements for RLSA staff / contractors	
DR	Prepare "instruction to M&T Bank" document for disbursement use by RLSA as trustee of the IUSF	
DR	Amend insurance applicable to this contract as necessary:	

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 13

	DR	David Rolka	
	RL	Robert Loube	
	MS	Matthew Saltzer	
	BE	RLSA external accounting firm	
	WF&D	Waggoner, Frutiger & Daub (an independent auditor)	
	M&T	M&T Bank	



### **3.1: Daily Work Plan**

Activities expected to be undertaken by RLSA on an ongoing daily basis during the contract term include the logging of incoming mail and correspondence, processing of revenue worksheets, corresponding with carriers and their filing agents as well as the validation of all submissions as to the completeness and accuracy of the data. RLSA will act as an agent of the Commission to ensure compliance by providers by advising them of IUSF practices and procedures. Correspondence regarding compliance with IUSF rules will include notice of any anticipated or expected changes in the fund rate, filing expectations, clarifications of any interpretations, carrier delinquency and any other issues related to their filings or account.

RLSA will record all activity related to the carriers within a customized database application made specifically for the administration of the IUSF. The database design used for administration of the Arkansas High Cost Fund (ARHCF) program collections and distributions is proposed as a template for use by RLSA and is described in some detail as a specific example of the database and procedures that RLSA proposes to use for administration of the IUSF. The following example references the database used for the administration of the ARHCF and contains fictional data intended to reveal the functionality developed for the administration of the ARHCF. RLSA will implement an IUSF specific version of the following database template. We believe that this database design is integral to efficient administration of a collection and distribution program and responsive to several sections of the RFP. The ARHCF database Main menu contains these basic options:

1. Mail log
2. Work with Company information
3. Lookup by Contact Person
4. Worksheets (reflecting all available data)
5. Work with ILEC support
6. Work with Receipts and Disbursements
7. Reports

The mail log option is used to keep track of incoming tangible correspondence by assigning a unique ID number to each item. Each item is identified with a description, date received, sender, who it has been routed to, the carrier or carriers to which it relates, notes or details about the item and follow up information that may be required. Please see a sample mail log screen below.

Mail Log ID: 28204	Description: November 2005 worksheet	ex. March 2005, 1Q2005, Annual 2005, Revised February 2004 worksheet
Date Received: 12/19/2005	Carriers related to this mail item:	
Received From:	ID: 430	Carrier Name: Verizon Wireless Messaging Services aka VZW
Routed To: Matt Saltzer	Logged by: msaltzer	
Section 2 not completed. Cannot accept. MLS called and spoke to Kim who said she would complete and fax.		Date of Entry: 12/21/2005 Followup Required? <input checked="" type="checkbox"/> Followup Completed: 12/21/2005
*		Date of Entry: Followup Required? <input type="checkbox"/> Followup Completed:
Record: 5271 of 5310		

Incoming items received from carriers or agents are logged in the Mail Log (main menu option #1). Upon entry, each item gets a unique ID assigned to it, which is then written in the upper right corner and the item is date stamped with the date on which it was received.

If the item is a worksheet it is checked to ensure that the proper form was used, that it was signed and that the required sections were completed. If the worksheet was accompanied by a record of a payment received (from the bank), the payment information is noted. The process also checks to determine if the worksheet is a duplicate; overlaps a previously reported period; whether the reported period is expected; based on the carrier's appropriate filing frequency and whether the item responds to an outstanding issue or inquiry to the carrier.

Worksheets are identified in the system using the mail log ID assigned by the mail log process. Worksheets can present a variety of challenges to the people completing them. The process of entering a worksheet validates that the correct assessment rates were used and verifies the mathematical calculations as well as any authorized carrier support amounts. Worksheets are debts which will appear on a carrier's monthly statement indicating the amount of assessment due to the fund.

The mail log includes a place to add notes about conversations or situations with carriers. Established notes can be edited and expanded as necessary. An editing window can be opened allowing the user to edit or add text. The item can also be marked for follow up or marked completed when follow up has resolved an open issue. Notes can be adjusted, added or even associated with multiple carriers. A list of the mail items received relating to each carrier is also available.

The Work with Company Information option (main menu option #2) provides complete company details, contact information for an unlimited number of contacts, a chronological list of open issues and noted communications, a list of mail items received, a graph of the reported revenues (reflecting all available data), assigned filing frequency and a schedule of filings expected, access to a list of the carrier's financial history including payment and disbursement details. Experience with carrier agents has demonstrated the value of RLSA's practice of requesting contact information for the carrier when a third party agent has been retained by the carrier to submit the required forms and make payments.

The Lookup by Contact Person option (main menu option #3) allows the user to locate information related to a particular person for the occasion when a call or correspondence is received from someone who does not identify which company or issue they are contacting us about. It provides direct access to open carrier issues and the related company information screen.

**Arkansas High Cost Fund**  
Year 2006 Carrier Revenue Report & Invoice  
(Please read instructions before completing)

Please complete this report electronically. See the website listed at bottom.

Select only one 2006 period:  
 JAN 2006  
 FEB 2006  
 MAR 2006  
 APR 2006  
 MAY 2006  
 JUN 2006  
 JUL 2006  
 AUG 2006  
 SEP 2006  
 OCT 2006  
 NOV 2006  
 DEC 2006

1. ARUSF Assigned ID: 3333  
 2. Company Name: XYZ Cellular  
 3. Street Address: Attn: Tax Dept, 1540 West Palm Street  
 4. City, State, Zip Code: West Palm, FL 33400  
 5. Main Telephone: (111) 222-3333  
 6. Name: Zippy Ndungu  
 7. Street Address: 1400 Long Meadow Drive  
 8. City, State, Zip Code: Kansas City, MO 64184  
 9. Telephone: (222) 333-4444  
 10. E-Mail Address: jurisdiction.support@website.com

11. Intrastate Retail Revenues Only \$ 120,412.00  
 12. Uncollectible Intrastate Retail Revenue Percentage x % = \$ 120,412.00  
 13. Uncollectible Intrastate Retail Revenues = \$ 120,412.00  
 14. Revenues Subject to Arkansas USF Assessment \$ 120,412.00  
 15. Applicable Assessment Rate x 1.70% = \$ 2,047.00  
 16. Gross ARUSF Assessment = \$ 2,047.00

Carriers assigned to report monthly:  
 Carriers assigned to report quarterly:

17. Estimated Late Payment Charge \$  
 18. Outstanding (Credit) or Debt \$  
 19. Total Remittance \$ 2,047.00

20. Signature Date: 03/06/06  
 Signature: This Person  
 Title: Tax Manager

Make checks payable to "ARUSF" and send with worksheet to:  
 ARUSF  
 P.O. Box 44273  
 Baltimore, MD 21264-4273

Arkansas High Cost Fund Database Worksheet entry screen  
 Worksheet ID: 28246  
 Company: 3333  
 Period: 12/1/2005 - 1/12/2006  
 Address: 1540 West Palm S, West Palm, FL 33400  
 Telephone: (111) 222-3333  
 First Name: Ndungu, Zippy  
 Last Name: Ndungu  
 Company Name: XYZ Cellular  
 Telephone: (877) 629-4141  
 Address: 1540 West Palm S, West Palm, FL 33400  
 E-Mail: jurisdiction.support@website.com

4. Intrastate Retail Revenues \$120,412.00  
 5. Uncollectible Factor \$120,412.00  
 6. Total Assessable Revenues \$120,412.00  
 7. Total Assessable Revenues \$120,412.00  
 8. Rate \$ 1.70%  
 9. Gross ARUSF Assessment \$2,047.00  
 10. ARUSF Support to Carrier \$2,047.00  
 11. Credit from prior filing \$  
 12. Late Payment Penalty \$  
 13. Worksheet Net Remittance \$2,047.00

2005-2006 Revenue Trend Graph:  
 2005: 96.1, 97.4, 98.4, 98.4, 98.4, 98.5, 98.5, 98.5  
 2006: 98.1, 97.4, 98.4, 98.4, 98.4, 98.5, 98.5, 98.5

Actual worksheet

Database Worksheet entry screen  
(including graphs showing trended revenues and uncollectibles)

The Worksheets option (main menu option #4) includes a detailed view of each available filed worksheet and a graph showing the carrier's revenues from recorded worksheets. The screen is also used to record the data reported on received worksheets, identified by the unique number assigned by previous logging of the worksheet as a mail item. It is configured to closely assimilate the form actually completed by the filer but also includes a multitude of additional information, functionality and built-in validation tools.

Problems with math and other worksheet issues can be documented in the mail log or as a note attached to the worksheet information in the database, which ultimately appears on the carrier monthly statement of account. Upon entry of worksheets, mathematical calculations are checked for accuracy and onscreen prompts appear when errors are found during data entry. The historical graph of carrier reported revenues which appears during data entry also offers a convenient easy view of the trend of such filings and facilitates the recognition of non-mathematical errors or omissions in reported revenues. This functionality gives the data entry person an additional opportunity to ensure that a significant error has not been made by the person preparing the submitted worksheet. This particular validation opportunity has resulted in worksheet corrections valued at millions of dollars in reported revenues and hundreds of

thousands of dollars in assessments that would otherwise have not been received by the fund. See the following excerpt of data regarding sample corrections resulting from the RLSA validation procedures.

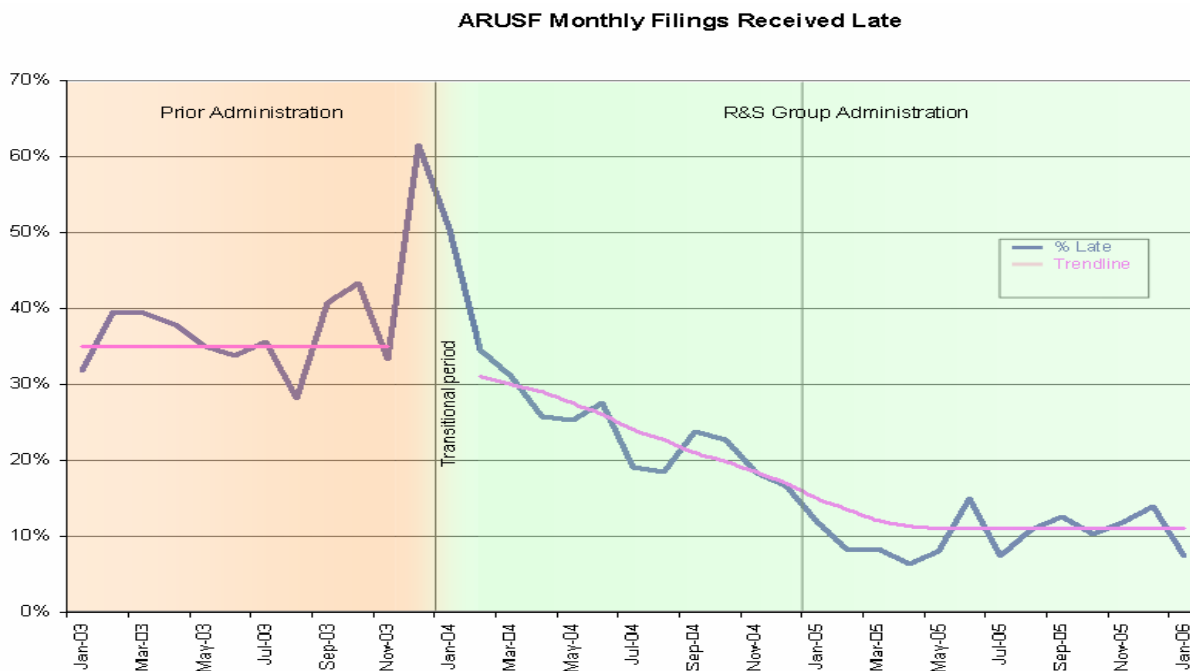
Carrier	Period	Original revs	Revised revs	Orig. Assess.	Revised Assess.	Difference
***	Dec-05	\$46,913	\$260,575	\$798	\$4,430	\$ 3,632
***	Jun-05	\$68,433	\$594,749	\$650	\$5,650	\$ 5,000
***	Jul-05	\$308,160	\$551,443	\$5,239	\$9,375	\$ 4,136
***	Jul-05	\$3,351,611	\$4,595,639	\$54,356	\$78,126	\$ 23,770
***	Jul-05	\$4,787,062	\$8,566,323	\$81,380	\$145,627	\$ 64,247
***	Jul-05	\$107,882	\$194,938	\$1,834	\$3,314	\$ 1,480
***	Jul-05	\$5,945,845	\$10,518,069	\$101,079	\$178,807	\$ 77,728
						<b>\$179,993</b>

The Work with ILEC Support option (main menu option #5) provides access to view, record and adjust the proposed monthly support amounts for each carrier who will receive funds from the program. Changes, adjustments and details can be recorded to document the projected support amount.

The Work with Receipts and Disbursements (main menu option #6) provides access to an additional menu of choices which includes access to entry points for recording and applying receipts, recording and charging disbursements/expenses, printing bank account activity reports for reconciliation of those records, recording interest earned, working with open credits and debts and an option to generate and apply estimated and actual late payment charges to carrier accounts. This section also provides options for the application of late payment charges, either upon entry of a delinquent payment or on a monthly basis for known and unknown assessments. The late payment penalty will be set to penalize delinquent accounts at a rate of 2.0% with a minimum of \$50, as per the rules of the fund, orders or direction of the Commission. Further clarification of the application of late payment charges may need to be discussed with the Commission as we configure our system for the most effective, fair and appropriate application of the penalties.

The previous Arkansas Universal Service Fund administrator (NECA/Solix, also designated as the interim administrator of the IUSF), issued statements of account only when there was account activity to report; however RLSA issued regular monthly statements of account to all carriers, beginning in January 2004, and in April 2004 began applying late payment charges (LPCs) to account statements which identified missing submissions and delinquent account balances. When a required filing has not been received by the due date, the RLSA LPC system creates preemptive “estimated” late payment charges based on a carrier’s previously reported revenues. These “estimated” LPCs appear on the carriers’ monthly account statements when reports and corresponding self-reported assessments are delinquent. Once the delinquent filings are made, any adjustments necessary to the “estimate” are implemented at the time the filing and payment are recorded in the RLSA system. In our experience and opinion, this system is much better than a reactionary system that simply assesses late charges after the delinquent receipt of a payment. The graph shows a marked improvement in timely reporting

from greater than 30% delinquent to below 10% delinquent which we ascribe to the RLSA administrative practices and procedures described in this proposal.



The Reports option (main menu option #7) provides access to an additional menu of reporting options including the creation of monthly carrier account statements, an option to edit the general notes that are included on the monthly statements, production of an aged receivables report, carrier account activity log and more. Some reports are generated using other systems for redundancy and checks and balances to ensure that we don't rely completely on one system. A reconciliation between each reporting system is confirmed by the Administrator to ensure the accuracy of the records.

RLSA will be available and responsive to all interested parties during normal business hours. RLSA currently hosts a website (<http://www.r-l-s-a.com>) which contains a wide variety of current and historical information, forms and instructions regarding the operation of client USF programs, as well as information on how we can be contacted by mail, telephone, voice mail, fax or e-mail. RLSA proposes to provide electronic access to all of the forms, instructions, schedules, rates, requirements and other pertinent information that will be developed for the IUSF, in consultation with the Commission. RLSA will also make paper and emailed copies available to requesting carriers.

RLSA will maintain a database which contains a record of contacts with each carrier and which sets forth the detailed financial information and calculations that relate to that particular carrier. The database also includes features which prompt for open issues that have not been resolved during routine activities such as the entry of worksheets or payments. This database will also contain all of the information that is developed to implement the Commission's directions, and enables efficient tracking of carrier assessments and support. These records

permit the development and tracking of assessments and support to any Commission-designated eligible telecommunications carriers.

RLSA will maintain a record of each significant request for clarification or information as well as a written record of any and all policy interpretations which may have an impact on the administration of the IUSF. New or emerging issues are shared among the RLSA staff to ensure that issues which may impact administration are well known and analyzed. As appropriate, policy matters are brought to the attention of the Commission for guidance, and documentation will be provided within 10 days of the time when an interpretation is needed.

RLSA has a thorough system of recording information regarding communications with carriers which will provide the basis for the documentation of any dispute regarding contributions which may arise in the future. RLSA has also anticipated that disputes may arise regarding non-contribution issues, such as notices of delinquency; therefore we maintain a record of communications as well as documentation regarding each determination that falls within the authority of the Administrator. RLSA is prepared to provide documentation to the IURC regarding any disputed matter that may arise with a carrier.

Since commencing operations for Maine in July 2002; for Arkansas in January 2004; for Vermont in July 2006; and for D.C. in January 2007 there have been no collection activities that have risen to a level that required per diem efforts. RLSA does have a thorough system of recording information regarding communications with carriers which will provide the basis for the documentation of any dispute regarding collections which may arise in the future. RLSA is prepared to provide documentation and to participate in such additional per diem collection efforts as the IURC may direct.

RLSA will interact with carriers through a wide spectrum of media which includes mail, a lockbox for the receipt of correspondence and contributions, electronic funds disbursement and receipt, e-mail, fax, telephone, voice mail and a regularly updated website. Provider disputes will result in complete documentation being forwarded to the Commission for final action.

RLSA will examine and verify the carrier data submissions for accuracy and consistency with prior submissions. RLSA will consult with the carrier first and then the Commission regarding any filings that report significant revisions to prior submissions as well as quantify the impacts of such a revision on prior and prospective collections and disbursements.

RLSA has developed procedures to ensure that contributing carriers correctly interpret the reporting requirements and to address the failure of a carrier to submit such reports, including procedures for estimating a contributor's revenues attributable to its Indiana operations as necessary.

As administrative issues develop that have not previously been contemplated and addressed, RLSA will provide timely notice to the Commission, and will propose recommendations that we believe to be consistent with the statutes, orders, regulations and when applicable, with the administration of the Federal USF.

RLSA will rely upon M&T Bank to handle the daily banking transactions related to the receipt of assessment payments made electronically or by check. M&T Bank will forward deposit records and any related materials to RLSA on a daily basis. Funds are invested daily to ensure the best possible return and protection of the funds as well as reinvestment of all interest earned. Security, liquidity and yield are the driving goals for the investment strategy and configuration of the accounts.

<b>IUSF Daily Task List:</b>	
<b>Assigned to:</b>	<b>Task</b>
<b>DR and MS</b>	Correspond with carriers by phone, fax, email, US mail (documentation recorded)
<b>DR</b>	Maintain records of interpretations
<b>MS</b>	Process submissions received
<b>MS</b>	Validate submissions are complete and fit trended expectations from carrier
<b>MS and DR</b>	Resolve provider disputes regarding submissions
<b>DR</b>	Provide written documentation to the Commission regarding any carrier appeals
<b>DR</b>	Provide to the Commission any provider delinquency appeal documentation
<b>M&amp;T</b>	Process incoming payments and invest funds

### 3.2: Weekly Work Plan

On a weekly basis, RLSA will backup all electronically stored documents and databases and store those records at an offsite location.

<b>AHCF Weekly Task List:</b>	
<b>Assigned to:</b>	<b>Task</b>
<b>MS</b>	Create backup and store offsite



### 3.3: Monthly Work Plan

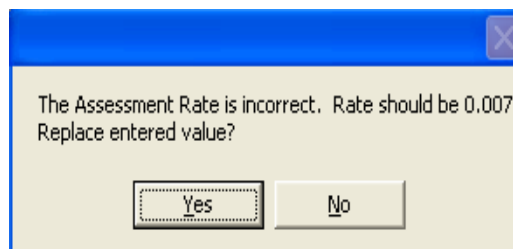
During the months included within the original and extended contract term, RLSA will perform the following tasks on a monthly basis:

RLSA will identify and add to our database system, any carrier who has received a certificate from the Indiana Public Utility Commission. RLSA will also review the FCC Telecommunications Provider Locator Directory for carriers contributing to the federal USF to identify carriers with an Indiana address and any carrier who reports to be doing business in the state of Indiana, such as wireless carriers who may not be required to obtain a certificate. Newly identified carriers will be sent an introductory informational package including instructions, expectations, filing worksheets and schedule, etc. Accounts for carriers who officially discontinue services within the state by canceling their certificate/license with the Commission will be finalized and closed based on the official date of the cancellation.

RLSA will take reasonable steps to ensure that carriers remit payments completely and on a timely basis by way of notification of the filing schedule to be followed, providing multiple payment methods, active and frequent communication of the processes/procedures and of the carrier's next expected filing and due date. Carriers who are determined to be delinquent will receive notice and will be provided with an estimate of late payment charges. Past due notices will be provided within the monthly statement following the due date as appropriate. The monthly statements will contain a list of currently outstanding worksheets as well as estimates LPCs calculated at a rate pursuant to the RFP's specified penalty of 2% with a minimum of \$50.00. Carriers will be contacted in writing and/or telephone as necessary to obtain the missing report or remittance. In the event that the reasonable efforts of RLSA fail to secure collection of delinquent assessment or revenue reports within 90 days of the due date, RLSA will so inform the IURC and provide documentation of estimated and/or known LPC assessments, delinquency notices and other collection activities to date. If directed by the IURC, RLSA will participate in any hearings generated by further collection efforts, including by offering written and oral testimony (per diem reimbursement).

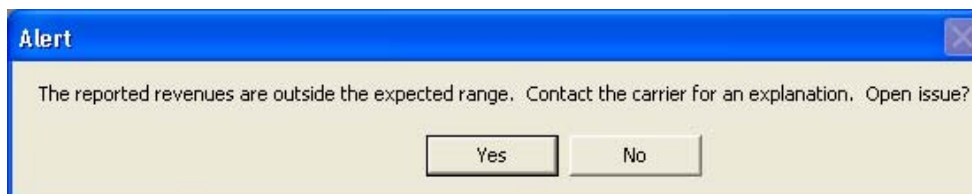
The RLSA database and operating procedures described above have been developed to closely monitor and identify the ongoing obligations of contributors to the fund with the express intent of ensuring timely reporting and contributions and minimize the necessity of recourse to the IURC for intervention. RLSA will work with the Commission to determine the most effective and appropriate procedures and deadlines surrounding the application of late payment charges.

Worksheets are identified in the RLSA database using the mail log ID assigned during the mail log process. The process of entering revenue report worksheet information into the RLSA database automatically identifies incorrect assessment rates used for the reporting period and verifies the mathematical calculations as well as any current carrier support amounts. During the data entry



process, the carrier address and contact information is verified against the database record of contacts and any new or additional information is recorded at that time. This aspect of the RLSA database design can be used to allow Indiana carriers that are to receive support from the IUSF to net their contribution against an anticipated support amount and thereby avoid the additional administrative expense associated with reciprocal distributions.

The experience of the RLSA staff with state and federal regulation contribute to our ability to identify contributors that might be subjected to audits and to conduct detailed reviews



of carrier records. As described herein, our procedures for administration of state

programs are designed to detect unusual reports early and request additional information, and documentation as appropriate, before resorting to the necessity and additional cost of a per diem formal audit of a carrier's records. At the direction of the IURC, RLSA is prepared to undertake a more detailed review than provided by our standard procedures of carrier records, or initiate an audit of the financial records of one or more providers on a per diem reimbursement basis.

RLSA understands that the reporting requirements should not be unduly burdensome, that the mechanisms for the timely submission of such reports should accept those submissions in as flexible a manner as practical, including via courier, regular and priority mail, fax and e-mail. RLSA will send a statement of account to each contact related to open accounts. An unlimited number of contacts can receive the statement of account of a carrier, and each will know who else has also been sent the same statement. Statements are sent monthly, regardless of account activity or balance to ensure that the contact information is up to date, that the provider filing frequency and other pertinent information is provided on a regular basis and that necessary updates to carrier or contact information can be promptly identified and recorded. Statements are sent electronically to all contacts with email addresses. If a carrier account has no contacts with email addresses, a statement of account will be sent by US mail to the most current carrier contact mailing address or to the carrier's mailing address when the latest contact does not have a separate mailing address recorded within the records. Statements of account will be produced after all activity has been recorded for the monthly cycle, which will end the business day after the scheduled due date for carrier submissions.

RLSA has found that the regular issuance of statements to all carriers is an efficient means of insuring that information applicable to all carriers is delivered on a regular basis and that contact information is kept up to date. Regular issuance of statements of account has also served as an effective way to communicate carrier specific information, particularly as it relates to past due reports and contributions. When RLSA initiated the distribution of regular statements of account for the Arkansas USF, we noted a significant improvement in the timeliness of reporting and contributions over the results achieved by the preceding administrator who issued statements only for accounts with activity that month (See graph of monthly AUSF filings received late). RLSA proposes to issue statements, preferably via e-mail, to each carrier

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 24

on a regular basis. Statements of account include important information including the filing frequency assigned to the account, the next filing period and due date, the carrier ID, mailing address and contact information as well as year to date activity, a list of outstanding reports and potentially a notice to contact the administrator due to an open issue. Here is a sample monthly statement of account:

Arkansas USF  
PO BOX 64273  
Baltimore, MD 21264-4273

Notes:

Carrier ID: Expected Filing Frequency  
**AR-000** Annually (Projection due by Feb 15, Revision due by Feb 15 of following year)  
Next report due: 2007 True-up Worksheet

[Redacted]  
[Redacted]  
[Redacted]

**Arkansas Universal Service Fund Statement - Year to Date Account Activity**

Date	Description of Activity	Item ID#	Assessment	Received	Admin Adjustment	Item Balance
1/29/2007	Check #13726 applied to item #30302	06952		(\$14.00)		\$0.00
2/26/2007	Estimated Late Payment Charge for 2006 True-up Worksheet and corresponding assessment not received by due date of 2/15/2007	009071			\$50.00	\$50.00
3/21/2007	Estimated Late Payment Charge for 2006 True-up Worksheet and corresponding assessment not received by due date of 2/15/2007	009458			\$50.00	\$50.00
4/25/2007	Estimated Late Payment Charge for 2006 True-up Worksheet and corresponding assessment not received by due date of 2/15/2007	009687			\$50.00	\$50.00
5/24/2007	Estimated Late Payment Charge for 2006 True-up Worksheet and corresponding assessment not received by due date of 2/15/2007	009885			\$50.00	\$50.00

**OPEN ISSUE(S): PLEASE CONTACT THE ADMINISTRATOR UPON RECEIPT OF THIS STATEMENT**

**Over due Worksheets**  
2006 True-up Worksheet

**ACCOUNT BALANCE:** <UNKNOWN>  
Recent activity and pending issues may prevent some activity from appearing on this statement.

The following is a list of contacts currently affiliated with this Arkansas USF carrier account. Any contacts listed with an email address will receive the carrier account statements electronically. The last contact listed is used as the primary contact. Please contact us with updates to this information.

**Name:** [Redacted] **Title:** President  
**Phone:** [Redacted] **Ext:** [Redacted] **Fax:** [Redacted] **Email:** [Redacted]  
**Company:** [Redacted]  
**Address:** [Redacted]

**Name:** [Redacted] **Title:** [Redacted]  
**Phone:** [Redacted] **Ext:** [Redacted] **Fax:** [Redacted] **Email:** [Redacted]  
**Company:** [Redacted]  
**Address:** [Redacted]

RLSA proposes to advise each carrier of the reporting schedule that they are expected to follow, and to remind them of that schedule by including a reminder with each monthly account statement (see the green box in the upper left corner of the statement). RLSA proposes to

periodically conduct a review of each service provider's contribution obligation and establish an agreeable filing schedule for that service provider which reflects: a) the size of the contribution obligation; b) the potential for the imposition of late payment charges; c) the streamlining of the administrative burden on both the service provider and the administrator; and d) the potential impact of a revised schedule for reporting and payments on the cash flow of the AHCF. These are the primary criteria that RLSA has used to establish reporting and payment schedules for the other programs that we administer and it has worked very well. Each carrier will be designated as either a monthly, quarterly or annual filer, and they are expected to remit the Carrier Revenue Report & Invoice along with the assessment payment to the Administrator on that schedule, pending Commission consideration of any additional findings and recommendations.

Funds will be electronically disbursed directly from the IUSF to eligible carriers per the calculation methodology specified within the approved settlement agreement in Cause No. 42144. If an electronic payment method is not provided by the recipient, a check will be issued. Disbursements from the IUSF will cease at the conclusion of the contract term or at which point RLSA no longer has funds available to disburse, due to a transition of the funds to a successor administrator near the end of the contract term.

RLSA has experience and procedures in place for the distribution of IUSF funds, directly to eligible carriers, on a monthly basis, which take into account the assessment rate applicable to carriers that also receive IUSF support. These netting procedures make it unnecessary for eligible carriers to issue a payment to the IUSF in the same month that they would be receiving a support payment from the IUSF.

RLSA has well established and transferable procedures in place for recording each substantive discourse with participating carriers. The documentation procedures used for administration of the AUSF will be revised as necessary to make them applicable to the IUSF. RLSA has participated in two formal Arkansas USF proceedings regarding challenges to the Administrators exercise of authority regarding levels of authorized support. RLSA has provided workshops before the APSC and interested parties regarding the interpretation of Commission rules and regulations and the applicable statutory provisions of the AUSF which provided the basis for legislative reform of the AUSF to the current Arkansas High Cost Fund. RLSA has demonstrated the ability to provide clear and concise testimony and supporting schedules before committees and members of the legislature, regulators and members of the telecommunications industry and the public.

Interest earned on the retained balance of the fund will be reinvested, net of any investment expenses.

RLSA will prepare and file a monthly IUSF status report in Commission Cause No. 42144. RLSA will also monitor the sufficiency of the Fund to meet anticipated obligations on an ongoing basis and will promptly advise the Commission of an anticipated shortfall or excessive balance and recommend a revised assessment rate. This status report will contain a detailed report of receipts and distributions for the month and year to date. A copy of the August 2007 Fund Performance Report of the Arkansas Universal Service Fund is included as an example of the RLSA monthly reporting at the end of this proposal.

The assessment rate for the period beginning October 2007 has been established by Commission Orders of July 25, 2007, and clarified August 3, 2007. If at any time prior to the implementation of a revised assessment rate, collections are inadequate to meet current distribution obligations, the available funds will be disbursed to eligible carriers proportionately. When the fund balance has been sufficiently replenished, the shortfall in distributions will be reconciled.

RLSA will reconcile the four (4) accounting systems to ensure that all the financial records agree.

<b>IUSF Monthly Task List:</b>	
<b>Assigned to:</b>	<b>Task</b>
<b>MS</b>	Update carrier database with new and closed account information as discovered
<b>MS</b>	Prepare and send introductory packages to new carriers
<b>MS</b>	Prepare carrier accounts for monthly statement distribution by applying credits and payments to unpaid debts as appropriate
<b>MS</b>	Generate late payment charges and estimated charges (for overdue unknown assessment amounts)
<b>MS</b>	Prepare and send statements of account to contacts of each carrier
<b>RL</b>	Review and audit provider financial records per Commission direction (per diem)
<b>DR</b>	Authorize fund distributions
<b>M&amp;T</b>	Distribute funds
<b>DR</b>	Report the status of the fund
<b>DR</b>	Reconcile the banking, fund performance, accounting and database records
<b>MS</b>	Prepare and send notices of delinquency to carriers

### 3.4: Quarterly Work Plan

Quarterly during the contract term, RLSA will provide the Commission with a detailed report regarding delinquent provider accounts to show non-zero accounts as well as accounts which have failed to report. Detailed information regarding efforts to keep each account current will be provided for a more in depth look at extraordinary accounts that may require Commission attention and action. RLSA will continue to monitor the sufficiency of the Fund to meet anticipated obligations and advise the Commission if we anticipate a need to revise the assessment rate.

<b>IUSF Quarterly Task List:</b>	
<b>Assigned to:</b>	<b>Task</b>
<b>MS</b>	Prepare delinquency report
<b>DR</b>	Review delinquency report and forward to Commission with any action documentations and recommendations to reflect extraordinary account delinquencies

### **3.5: Annual Work Plan**

During the contract term as described below, RLSA will perform the following tasks:

By February 15 of 2008 and 2009, RLSA will prepare and provide a report to the Commission to detail the number of providers who participated in fund during the prior calendar year, the number of eligible providers who requested reimbursement and the total amount of disbursements to each provider over the course of the prior year. If the contract is extended through the end of 2010, then RLSA will also provide such a report on or before February 15, 2010 and February 15, 2011 for each preceding calendar year.

On or before March 1 of 2008 and if the contract term is extended, then again by March 1, 2009 and March 1, 2010, RLSA will provide to the Commission an unaudited annual financial statement for the preceding calendar year. The annual statement will be prepared using accrual basis accounting.

By May 30 of 2008 and if the contract term is extended, by May 30, 2009 and by May 30, 2010, RLSA will prepare and provide to the Commission, a report detailing provider's reported retail revenues for the prior calendar year.

In the fall of 2008 and if the contract term is extended through 2010, in the fall of 2009 and 2010, RLSA will develop new carrier revenue reporting materials for the upcoming calendar year. The material package will include a letter of introduction, revenue reporting worksheet and sample, filing instructions, reporting schedule, and a carrier ID list. These materials will also be posted on the RLSA website on a page designed specifically for public availability of this information. These materials will also be sent to all contacts of open carrier accounts by way of email when possible or by mail when a carrier records don't contain a contact with a valid email address. Materials will also be provided upon request, in the form that is requested. RLSA will develop such materials in consultation with the rules of the IUSF as well as the Commission and shall include many data-validation and auto-calculating formulas to assist carriers in completing the reports with a minimum of confusion, difficulty and errors. The net billed intrastate retail telecommunications revenue will be computed by taking billed intrastate retail telecommunications revenue and subtracting actual intrastate retail telecommunications uncollectibles and the 2% billing and collection administrative fee which will be retained by the carrier.

In the fall of 2008, RLSA will calculate trended carrier revenues and fund support requirements into the coming calendar year. RLSA will calculate and determine the next calendar year's assessment rate and notify each carrier of the upcoming rate. The rate will be determined with care to ensure that the fund maintains an adequate balance. Rates will also be posted and always publicly available on the RLSA website page containing information about the Indiana USF. Should a shortfall or excessive fund balance condition be discovered throughout the year, making a recalculation of the assessment rate necessary, RLSA may perform this task a second time during a calendar year. Should the contract be extended for the two years of 2009 and 2010, RLSA will also perform this task in the fall of 2009 and 2010.

<b>IUSF Annual Task Schedule for Initial Contract Term thru December 31, 2008:</b>		
<b>Assigned to:</b>	<b>Date Due By:</b>	<b>Task</b>
<b>MS</b>	Feb 15, 2008	Submit annual report of statistics for 2007
<b>DR</b>	Mar 1, 2008	Submit unaudited annual financial statement using accrual accounting for 2007
<b>MS</b>	May 30, 2008	Submit annual report of reported carrier revenues for 2007
<b>DR, RL</b>	Nov 15, 2008	Calculate 2009 budget and announce/publish 2009 assessment rate
<b>MS</b>	Dec 15, 2008	Develop and distribute 2009 annual schedule of filing due dates, worksheet and related reporting materials to carriers
<b>MS</b>	Feb 15, 2009	Submit annual report of statistics for 2008

<b>IUSF Annual Task Schedule for Extended Contract Term thru December 31, 2010:</b>		
<b>Assigned to:</b>	<b>Date Due By:</b>	<b>Task</b>
<b>DR</b>	Mar 1, 2009	Submit unaudited annual financial statement using accrual accounting for 2008
<b>MS</b>	May 30, 2009	Submit annual report of reported carrier revenues for 2008
<b>DR, RL</b>	Nov 15, 2009	Calculate 2010 budget and announce/publish 2010 assessment rate
<b>MS</b>	Dec 15, 2009	Develop and distribute 2010 annual schedule of filing due dates, worksheet and related reporting materials to carriers
<b>MS</b>	Feb 15, 2010	Submit annual report of statistics for 2009
<b>DR</b>	Mar 1, 2010	Submit unaudited annual financial statement using accrual accounting for 2009
<b>MS</b>	May 30, 2010	Submit annual report of reported carrier revenues for 2009
<b>DR, RL</b>	Nov 15, 2010	Calculate 2011 budget and announce/publish 2011 assessment rate
<b>MS</b>	Dec 15, 2010	Develop and distribute 2011 annual schedule of filing due dates, worksheet and related reporting materials to carriers
<b>MS</b>	Feb 15, 2011	Submit annual report of statistics for 2010

With regard to the preceding tasks, as needed, RLSA will research the statutory treatment and precedent regarding issues in the context of both state and federal jurisdictions including but not limited to Indiana Statutes, Commission Rules and Orders as well as Federal Statutes, Orders and Rules. Participation in telephone conferences, hearings or proceedings and the provision of expert testimony are anticipated RLSA activities. On-site testimony and participation in workshops, hearings, conferences and proceedings will be provided per diem.

RLSA is perfectly situated and prepared to immediately accept designation by the Commission as the permanent Administrator of the IUSF. RLSA is aware that time is of the essence with respect to first expected carrier remittance payments into the fund and the expected distribution of carrier support on December 15, 2007. RLSA has the experience and capability and offers to begin the Contract Term without delay, as soon as we are advised that we have been selected as the permanent administrator. We can implement the necessary banking arrangements on a single days notice and we can simultaneously update our website to contain an IUSF page. We will contact the interim administrator as soon as the Commission indicates



that it is allowable to do so, and make arrangements to secure access to the records and data compiled by the interim administrator. We will do everything necessary to expedite the transfer of information, records and any receipts to ensure that the transition from the Interim Administrator to the Permanent Administrator does not complicate the financial transactions related to the distribution.

### **Financial Accounting and Audits**

RLSA will cooperate with an independent auditor selected by the IURC. RLSA has established internal procedures and controls and uses accounting and financial reporting systems that conform to Generally Accepted Accounting Principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board. RLSA regularly consults with independent certified public accountants regarding the design and modification of the systems implemented for the administration of state fund programs to insure compatibility with government accounting requirements. Waggoner, Frutiger & Daub, an independent unaffiliated certified public accounting firm, conducted audits of the Arkansas and Vermont USF in compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board (G.A.S. B. & F.A.S.B.) requirements. The cost of the 2004 AUSF audit was completed for \$23,000, which was \$3,000 below the commitment price. The favorable 2004, 2005 and 2006 Arkansas USF audit reports are available on the web site of the Arkansas Public Service Commission at Commission (AR PSC) Docket No. 97-393-A, see docket entry Nos. 286 and 311 respectively. The AR PSC agreed with our recommendation, as a cost containment measure, that the fund audit not be conducted during high demand tax season. Copies of the Rhoads & Sinon Group (now owned by RLSA) administrative and monthly Fund performance reports for the Arkansas USF are also available on the AR PSC website at the same docket. The state of Vermont does not maintain similar public access to its Fund performance reports.

As administrative issues develop that have not previously been contemplated and addressed we propose to provide timely notice to the Commission staff, and propose recommendations that we believe to be consistent with the Commission's rules and when applicable with the administration of the Federal USF.

### **Maintenance of Data**

RLSA has provided an extensive discussion of its proprietary database systems earlier in this response. RLSA has electronically accumulated and stored USF data by carrier since January 2000 which we regularly consult in reviewing ongoing filing and reporting obligations.

### **Successor Administrator**

In the event RLSA is selected as the Administrator, and the contract for Administration is cancelled or RLSA is not selected as the successive Administrator to serve after the expiration of this Contract Term, RLSA will thereafter cooperate fully during the transition period and for up to three months following the termination in transferring responsibilities to any successor Administrator named by the State, to ensure a smooth transition. RLSA's cooperation under this section will include at least the following actions:

- Promptly making a preliminary transfer of current financial records in a common electronic format to the new fiscal agent.
- Making an initial and subsequent final transfer of the remaining balance of the IUSF, together with a final transfer of current financial records in a paper and a common electronic format, to the new Fiscal Agent.
- Cooperating with an audit of its unaudited operations under this contract.

Transition work by RLSA will be reimbursed at a rate agreed upon by the parties, or, if no rate is agreed, at an hourly rate equal to one-eighth of the per diem rate set in this contract for other consulting.

#### **Additional Information**

RLSA keeps records of significant written and oral interpretations and maintains consistency with respect to advice to requesting carriers. RLSA maintains a record of communications with each carrier as well as an index of open issues requiring additional follow-up. RLSA has developed redundant procedures and processes to ensure that payments are correctly made and on schedule. RLSA uses separate personnel to track financial transactions in four (4) independent systems, reconciled on a monthly basis, each using different software applications and each maintained by separate staff.

The M&T Bank maintains records of each lockbox transaction as well as each investment and disbursement action and provides detailed monthly statements to Mr. Rolka for each fund administered by RLSA.

Mr. Rolka, with the assistance of an independent accountant, maintains a complete set of financial records using a commercially available accounting package (Quickbooks) which provides monthly financial reports for each fund administered by RLSA.

Mr. Saltzer of RLSA maintains a proprietary database application developed for the purpose of tracking all activity, correspondence and notes on carrier accounts as well as the financial transactions of each fund administered by RLSA.

Mr. Rolka has access to the proprietary RLSA database system and can generate several programmed reports, on demand, as well as financial statements. Mr. Rolka maintains a proprietary spreadsheet application developed for the purpose of insuring that the other three systems (bank records, Quickbooks records, and proprietary database) used in the administration of the funds can be reconciled, as well as for the preparation of periodic or special reports to the Commission.

RLSA continues to apply procedures for handling and protecting confidential information which are consistent with the procedures installed by RLSA for our handling of confidential information submitted by carriers pursuant to the Federal High Cost Universal Service Program. We apply procedures for examining carrier filings for errors and omissions and math errors that are consistent with the procedures already in place for our handling of carrier filings.

The integrity of the database files are protected by use of redundant (mirrored) hard drives and regular backup procedures. Archival procedures will maintain the database files on

stand-alone systems ensuring that equipment failure will not destroy historical records. Periodic updates of the database design, software or procedures are preceded by a complete backup of the existing data and file structures to a properly labeled and dated Compact Disc.

Weekly backups of all data are stored off premises. We maintain a rolling, off-site bank of these backup files. Our principal offices for this project are located in Harrisburg, Pennsylvania. The Harrisburg office is located on the 10<sup>th</sup> floor of a secure downtown office building, the M&T Bank building. We also have offices and equipment capable of supporting our work on a short-term basis, should the Harrisburg facility become temporarily unavailable, in Silver Spring, Maryland. David Rolka of the Harrisburg office has portable computer equipment assigned and routinely takes it with him when working away from the office. Both Mr. Rolka and Mr. Loube can, and do, work remotely from alternate locations on a regular basis.

### **Required Reports**

RLSA acknowledges the requirement to file the Annual Report, the Annual Financial Statement and the Monthly Status Reports identified in the RFP and has been submitting similar reports to each of our clients since 2002. RLSA also has developed and will continue as appropriate to prepare and submit such additional reports as are useful to the Commission or the Oversight Committee during the contract term. RLSA will also cooperate with the Commission to suggest and implement revisions to those reports as necessary for the management and oversight of the funds.

1. Annual Financial Statement – an unaudited financial statement for the prior year is to be submitted on or before March 1 of each year for the IUSF. RLSA will make arrangements for Commission consideration of a per diem audit of the funds by an independent auditor and submission of the auditors report to the commission.

2. Monthly Status Reports - Monthly status reports will be filed for the IUSF in Commission Cause No. 42144, and a copy of the report can be provided monthly to Commission staff and the members of the Oversight Committee for their use and reference.

3. IUSF Annual Reports – by February 15<sup>th</sup> of each year RLSA will provide a report to the Commission detailing prior calendar year data regarding the number of providers participating in the IUSF, the number of eligible carriers requesting disbursements from the IUSF, the total amount of disbursements to each eligible carrier in the preceding year, and any additional information that will assist the Commission in its oversight of the Administrator's management of the IUSF.

As discussed above, RLSA is capable of providing such reports to the Commission, on demand, for any prior period or length of time beginning after the start of the current contract term. This capability is used regularly by RLSA to monitor the sufficiency of the fund and to assist in the analysis of the assessment factor.

**Work Plan Calendar**

We have developed the following schedules as examples of when we expect the activities to be performed.

Calendar for 13 month contract term:

December 2007	January 2008	February 2008
S M T W T F S	S M T W T F S	S M T W T F S
25 26 27 28 29 30 1	1 2 3 4 5	1 2
2 3 4 5 6 7 8	6 7 8 9 10 11 12	3 4 5 6 7 8 9
9 10 11 12 13 14 15	13 14 15 16 17 18 19	10 11 12 13 14 15 16
16 17 18 19 20 21 22	20 21 22 23 24 25 26	17 18 19 20 21 22 23
23 24 25 26 27 28 29	27 28 29 30 31	24 25 26 27 28 29
30 31		
March 2008	April 2008	May 2008
S M T W T F S	S M T W T F S	S M T W T F S
1	1 2 3 4 5	1 2 3
2 3 4 5 6 7 8	6 7 8 9 10 11 12	4 5 6 7 8 9 10
9 10 11 12 13 14 15	13 14 15 16 17 18 19	11 12 13 14 15 16 17
16 17 18 19 20 21 22	20 21 22 23 24 25 26	18 19 20 21 22 23 24
23 24 25 26 27 28 29	27 28 29 30	25 26 27 28 29 30 31
30 31		
June 2008	July 2008	August 2008
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7	1 2 3 4 5	1 2
8 9 10 11 12 13 14	6 7 8 9 10 11 12	3 4 5 6 7 8 9
15 16 17 18 19 20 21	13 14 15 16 17 18 19	10 11 12 13 14 15 16
22 23 24 25 26 27 28	20 21 22 23 24 25 26	17 18 19 20 21 22 23
29 30	27 28 29 30 31	24 25 26 27 28 29 30 31
September 2008	October 2008	November 2008
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3 4	1
7 8 9 10 11 12 13	5 6 7 8 9 10 11	2 3 4 5 6 7 8
14 15 16 17 18 19 20	12 13 14 15 16 17 18	9 10 11 12 13 14 15
21 22 23 24 25 26 27	19 20 21 22 23 24 25	16 17 18 19 20 21 22
28 29 30	26 27 28 29 30 31	23 24 25 26 27 28 29 30
December 2008	January 2009	February 2009
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3	1 2 3 4 5 6 7
7 8 9 10 11 12 13	4 5 6 7 8 9 10	8 9 10 11 12 13 14
14 15 16 17 18 19 20	11 12 13 14 15 16 17	15 16 17 18 19 20 21
21 22 23 24 25 26 27	18 19 20 21 22 23 24	22 23 24 25 26 27 28
28 29 30 31	25 26 27 28 29 30 31	1 2 3 4 5 6 7
		8 9 10 11 12 13 14

The yellow blocks are scheduled back ups of data.

The green circles are the due dates for unaudited annual reports (March 1, annually).

The purple circles represent the filing date for monthly fund performance reports (including a quarterly delinquency report).

The blue squares indicate the dates for the annual count report described in Part II.4.C.3 of the RFP (February 15, annually).

The brown squares represent the date for the annual carrier revenue report (May 30, annually).

The red triangle indicates the calculation of the budget and assessment rate for the next calendar year and the announcement of the assessment rate (November 15, annually).

The silver star indicates the publication/distribution of the filing schedule, worksheet, instructions, etc., for next calendar year.

Calendar for contract term if extended:

December 2007							January 2008							February 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
25	26	27	28	29	30	1			1	2	3	4	5						1	2	
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
23	24	25	26	27	28	29	27	28	29	30	31	24	25	26	27	28	29				
30	31																				
March 2008							April 2008							May 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1			1	2	3	4	5						1	2	3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24	
23	24	25	26	27	28	29	27	28	29	30	25	26	27	28	29	30	31				
30	31																				
June 2008							July 2008							August 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7			1	2	3	4	5						1	2	
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
29	30						27	28	29	30	31	24	25	26	27	28	29	30			
													31								
September 2008							October 2008							November 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					5	6			1	2	3	4							1		
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	
28	29	30					26	27	28	29	30	31	23	24	25	26	27	28	29		
													30								
December 2008							January 2009							February 2009							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					5	6					1	2	3	1	2	3	4	5	6	7	
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28	
28	29	30	31				25	26	27	28	29	30	31	1	2	3	4	5	6	7	
													8	9	10	11	12	13	14		

Calendar for extended contract term:

March 2009	April 2009	May 2009
S M T W T F S	S M T W T F S	S M T W T F S
22 23 24 25 26 27 28	1 2 3 4	1 2
1 2 3 4 5 6 7	5 6 7 8 9 10 11	3 4 5 6 7 8 9
8 9 10 11 12 13 14	12 13 14 15 16 17 18	10 11 12 13 14 15 16
15 16 17 18 19 20 21	19 20 21 22 23 24 25	17 18 19 20 21 22 23
22 23 24 25 26 27 28	26 27 28 29 30	24 25 26 27 28 29 30
29 30 31		31
June 2009	July 2009	August 2009
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3 4	1
7 8 9 10 11 12 13	5 6 7 8 9 10 11	2 3 4 5 6 7 8
14 15 16 17 18 19 20	12 13 14 15 16 17 18	9 10 11 12 13 14 15
21 22 23 24 25 26 27	19 20 21 22 23 24 25	16 17 18 19 20 21 22
28 29 30	26 27 28 29 30 31	23 24 25 26 27 28 29
		30 31
September 2009	October 2009	November 2009
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5	1 2 3	1 2 3 4 5 6 7
6 7 8 9 10 11 12	4 5 6 7 8 9 10	8 9 10 11 12 13 14
13 14 15 16 17 18 19	11 12 13 14 15 16 17	15 16 17 18 19 20 21
20 21 22 23 24 25 26	18 19 20 21 22 23 24	22 23 24 25 26 27 28
27 28 29 30	25 26 27 28 29 30 31	29 30
December 2009	January 2010	February 2010
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5	1 2	1 2 3 4 5 6
6 7 8 9 10 11 12	3 4 5 6 7 8 9	7 8 9 10 11 12 13
13 14 15 16 17 18 19	10 11 12 13 14 15 16	14 15 16 17 18 19 20
20 21 22 23 24 25 26	17 18 19 20 21 22 23	21 22 23 24 25 26 27
27 28 29 30 31	24 25 26 27 28 29 30	28
	31	
March 2010	April 2010	May 2010
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3	1
7 8 9 10 11 12 13	4 5 6 7 8 9 10	2 3 4 5 6 7 8
14 15 16 17 18 19 20	11 12 13 14 15 16 17	9 10 11 12 13 14 15
21 22 23 24 25 26 27	18 19 20 21 22 23 24	16 17 18 19 20 21 22
28 29 30 31	25 26 27 28 29 30	23 24 25 26 27 28 29
		30 31
June 2010	July 2010	August 2010
S M T W T F S	S M T W T F S	S M T W T F S
30 31 1 2 3 4 5	1 2 3	1 2 3 4 5 6 7
6 7 8 9 10 11 12	4 5 6 7 8 9 10	8 9 10 11 12 13 14
13 14 15 16 17 18 19	11 12 13 14 15 16 17	15 16 17 18 19 20 21
20 21 22 23 24 25 26	18 19 20 21 22 23 24	22 23 24 25 26 27 28
27 28 29 30	25 26 27 28 29 30 31	29 30 31
September 2010	October 2010	November 2010
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4	1 2	1 2 3 4 5 6
5 6 7 8 9 10 11	3 4 5 6 7 8 9	7 8 9 10 11 12 13
12 13 14 15 16 17 18	10 11 12 13 14 15 16	14 15 16 17 18 19 20
19 20 21 22 23 24 25	17 18 19 20 21 22 23	21 22 23 24 25 26 27
26 27 28 29 30	24 25 26 27 28 29 30	28 29 30
	31	
December 2010	January 2011	February 2011
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4	1	1 2 3 4 5
5 6 7 8 9 10 11	2 3 4 5 6 7 8	6 7 8 9 10 11 12
12 13 14 15 16 17 18	9 10 11 12 13 14 15	13 14 15 16 17 18 19
19 20 21 22 23 24 25	16 17 18 19 20 21 22	20 21 22 23 24 25 26
26 27 28 29 30 31	23 24 25 26 27 28 29	27 28
	30 31	

#### **4: Prior Experience**

RLSA believes that we have demonstrated our willingness to work closely with each of our clients and that communication with our clients is a hallmark of our service. We encourage you to inquire about this subject when contacting any of the relevant clients identified below. A list of eleven (11) relevant clients and corresponding contact information that are available to provide corporate and professional references regarding our fiscal administration and other services follows:

- **Indiana Utility Regulatory Commission**  
Mr. Joe Sutherland  
302 W. Washington St., Room E-306  
Indianapolis, IN 46204  
In Cause 46218A as a member of the advisory staff to the Commissioners and Administrative Law Judge regarding a number of telecommunications related issues.
- **Arkansas Public Service Commission,**  
Mr. Art Stuenkel or Mr. Bill Dennis  
1000 Center Street,  
Little Rock, Arkansas 72201,  
(501) 682-5877 or 682-5695;  
Administration of the Arkansas Universal Service Fund & Administration of the Arkansas Extension of Telecommunications Facilities Fund from January 1, 2004 through December 31, 2007.
- **Arkansas Public Service Commission,**  
Mr. Art Stuenkel or Mr. Bill Dennis  
1000 Center Street,  
Little Rock, Arkansas 72201,  
(501) 682-5877 or 682-5695;  
Administration of the Arkansas High Cost Fund & Administration of the Arkansas Extension of Telecommunications Facilities Fund from August 1, 2007 through December 31, 2009.
- **Vermont Public Service Board**  
Mr. Peter Bluhm  
112 State Street, Drawer 20  
Montpelier, Vermont 05620-2701  
(802) 828-2358  
Administration of the Vermont Universal Service Fund from July 1 2006 through June 30, 2009.

- **District of Columbia Public Service Commission**  
Ms. Ellen Brown  
1333 H Street N.W.  
Washington, DC 20005  
(202) 626-5146  
Administration of the DC USF, which includes both the TRS and Lifeline support programs for calendar year 2007, with 2 possible one year extensions.
- **U.S. Department of Justice**  
Mr. Michael Wilcove  
Tax Division,  
P.O. Box 813, Ben Franklin Station  
Washington D. C. 20044  
(202) 514-6474  
A tax proceeding involving Coastal Utilities.
- **Internal Revenue Service**  
Office of Chief Counsel  
Associate Chief Counsel General Legal Services  
33 Maiden Lane, 12<sup>th</sup> Floor  
New York, NY 10038  
Ms. Lora L. Lawson  
(212) 436-1831  
A tax proceeding involving the Smithville Telephone Company of Indiana.
- **Maine Public Utility Commission,**  
Mr. Rich Kania,  
242 State Street,  
Augusta Maine 04333-0018,  
(207) 287-1379;  
Administration of the Maine Telecommunications Education Access Fund & Maine Universal Service Fund from July 1, 2002 through August 30, 2005.
- **Universal Service Administrative Company,**  
Ms Karen Majcher,  
2000 L Street, NW, Suite 200,  
Washington D.C. 20036  
(202) 263-1663  
Implementation and administration of forward looking high cost support for non-rural carriers, Interstate Common Line Support, the disaggregation of support for rural carriers from January 2000 through August 2004.



- **Pennsylvania Office of Consumer Advocate,**  
555 Walnut Street, 5<sup>th</sup> Floor,  
Mr. Joel Cheskis  
Forum Place,  
Harrisburg, Pennsylvania 17101-1923,  
(717) 787-5048  
Various proceedings before the Pennsylvania Public Utility Commission regarding mergers, intercarrier compensation, access rates and rural carrier intralata toll.
- **Maine Office of Public Advocate,**  
Mr. Steven G. Ward,  
112 State House Station,  
Augusta, Maine 04333-0112  
(207) 287-2445  
Proceedings before the MPUC regarding line sharing, Phase I and II of the Verizon Alternative Forms Of Regulation (AFOR) proceeding, (participation in these proceedings was initiated with the prior approval of the Commission to participate without presenting a conflict of interest), the Verizon/MCI merger proceeding, and selected to become Administrator of a Pipeline settlement fund supporting the purchase of natural gas by Maine retail customers if the settlement is approved by the FERC.
- **Washington Attorney General,**  
Mr. Simon Ffitch, Assistant Attorney General,  
Section Chief, Public Counsel,  
900 Fourth Avenue, Suite 2000  
Seattle Washington 98164,  
(206) 389-2055  
A Verizon rate case in the State of Washington (fees shared by AARP) and an Alternative Form of Regulation proceeding.

RLSA has decades of senior regulatory and administrative experience, a historic perspective as former state and federal regulators and our resources are scalable to meet client needs. We have experience dating to the establishment of our company in January 2000 in both the collection and distribution of state and federal telecommunications related universal service programs, and have developed several custom database applications to compliment traditional accounting packages for those purposes. We are knowledgeable of regulatory accounting and record keeping requirements and our work has been audited on numerous occasions, by both internal and independent auditors for compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board, with no adverse findings. We are located in a keycard secured environment on the upper floors of the M&T Bank building; maintain separate books and records for each of our client accounts; protect confidential information; and are not affiliated with any regulated utility entity.

Mr. David W. Rolka, President RLSA, LLC will have overall responsibility for all aspects of administration of the IUSF. Mr. Rolka has expertise and experience as Administrator of four state universal service funds and as consultant and administrative contractor to the Universal Service Administrative Company for the administration of the federal universal service high cost fund. Mr. Rolka has assisted the federal USF administrator, Universal Service Administrative Company (USAC), in the start-up and ongoing administration of the implementation of the Federal Communications Commission's ("FCC") revised rules following passage of the Telecommunications Act of 1996 for high cost universal service support for non-rural companies.<sup>1</sup> At USAC's request, Mr. Rolka also has provided input on the operational implications for USAC to implement the recommendations of the FCC-State Universal Service Joint Board on Universal Service, the FCC Rural Task Force Recommendation and the draft rules offered by the Rural Leadership Coalition regarding Universal Service Support in rural areas.

RLSA has been the Administrator of the state universal service funds for the states of Arkansas, Vermont, DC and Maine.

RLSA has been the Administrator of the Arkansas Universal Service Fund (AUSF) and the Arkansas Extension of Telecommunications Facilities Fund (AETFF) since January 2004, and oversaw the successful transition of administration from Solix (formerly known as NECA Services) to RLSA. At the request of the Arkansas Public Service Commission, Mr. Rolka has also provided workshops and participated in discussions and formal proceedings before the Commission regarding the future of the state USF and potential legislative amendments<sup>2</sup>. Mr. Rolka has also participated at the request of the Arkansas legislature in discussions regarding the current operation of the AUSF and the need for potential legislative action. Both Arkansas funds administered by RLSA have undergone successful annual audits in compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board (G.A.S. B. & F.A.S.B.) requirements. Mr. Rolka also gained experience contracting for and administering the independent audit of the prior administrator subsequent to becoming Arkansas' Administrator in 2004. RLSA has been selected by the Arkansas Public Service Commission to transition and administer the recently enacted Arkansas High Cost Fund as of August 1, 2007.

RLSA has been the Administrator of the Vermont Universal Service Fund since July 2006 and oversaw the successful transition of fund administration from Solix to RLSA. Mr. Rolka has previously overseen independent audits of the work of the predecessor administrator and has recently concluded work with an independent auditor on the audit of the Vermont USF for fiscal year July 2005 through June 2006, the last year of the Solix administration of the

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<sup>1</sup> USAC is a not-for-profit corporation that is responsible for administering the Federal universal service support mechanisms, including high cost, low-income, schools and libraries and rural health care programs. USAC also performs billing, collection, and disbursement functions for all of these support mechanisms. Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket No. 97-21, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Third Report and Order in CC Docket No. 97-21, Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45*, FCC 98-306, 63 Fed. Reg. 70564 (rel. Dec. 21, 1998), ¶ 1 (*USAC Order*).

<sup>2</sup> See: Arkansas Public Service Commission Docket Numbers: 05-099-U; 06-010-U; 06-032-U; 97-393-A; and 02-080-A

Vermont USF, for compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board (G.A.S. B. & F.A.S.B.) requirements.

For three years Mr. Rolka served as the Administrator of the Maine Telecommunications Education Access Fund (MTEAF), and during that tenure was responsible for the successful start up of the Maine Universal Service Fund (MUSF) at the request of the Commission. These two programs (MTEAF & MUSF) were begun and operated very economically and were not subjected to independent audits during RLSA's tenure.

RLSA has extensive experience in the field of public utility regulation concerning the disbursement of support in areas served by rural telephone companies.

As indicated on his attached resume, Mr. Rolka has served in numerous leadership capacities as a member of the National Association of Regulatory Utility Commissioners (NARUC). His thorough familiarity with the development of the national policies regarding high cost universal service and in particular the issues of providing affordable telecommunications service in high cost rural areas will be an asset to the Indiana Universal Service Program.

Mr. Rolka will remain the principle point of contact between the Commission and RLSA for the duration of a contract resulting from this proposal. His regulatory and management experience includes Chairman and Commissioner of the Pennsylvania PUC; Member of the National Association of Regulatory Utility Commissioners Board of Directors, State Chair of both the Federal State Joint Board on Separations and the Alaska Joint Board; Executive Director of the Pennsylvania Office of Consumer Advocate; Chief of Staff to Commissioner Michael Johnson of the Pennsylvania PUC; Senior Vice President, then President of Rhoads & Sinon Group LLC; Administrator of the Maine Universal Service Fund; Administrator of the Maine Telecommunications Education Facilities Fund; Administrator of the Maritimes Settlement Fund; Administrator of the Arkansas Universal Service Fund; Administrator of the Arkansas Extension of Telecommunications Facilities Fund; Administrator of the Vermont Universal Service Fund, the Administrator of the D.C. Universal Service Fund, and most recently as Administrator of the Arkansas High Cost Fund.

Mr. Rolka will be supported as Administrator by Robert Loube, Ph.D Director of Economic Research; Mr. Matthew Saltzer Vice President of Operations; Mr. David O. Twaddell, Esq. Rhoads & Sinon, LLP ("R&S LLP") regarding contractual relations with M&T Bank; and will have ongoing access to the information and network support staff as needed. Mr. Rolka will also continue to be assisted by clerical and bookkeeping staff. Each of the proposed members of the support staff is currently experienced in the Administration of state funds and will continue in those roles.

Robert Loube Ph.D joined RLSA in 2001 as Director of Economic Research and is located in Silver Spring, Maryland. As his attached resume indicates, he has extensive regulatory experience with the development and implementation of Universal Service Programs. He served on the staff of the Universal Service Joint Board. He helped draft every major universal service Order adopted by the FCC from 1997 to 2001. He prepared forecasts of the likely outcomes of alternative universal service policies. Upon joining RLSA, he assisted USAC in administering the federal universal service funds and has assisted in administering the Maine,

Arkansas, DC and Vermont state universal service funds. Dr. Loube's role in the administration of state USF mechanisms has focused on matters regarding data integrity, forecasting and adapting our program design to the specific requirements of each state. Dr. Loube also participated in the workshop sponsored at the request of the Arkansas Public Service Commission and participated in formal proceedings before the Arkansas Commission at their request regarding the administration of the Arkansas USF particularly as it may be impacted by changes in the operation of the federal USF programs.

Dr. Loube will assist with the ongoing responsibilities of the Administrator, including revenue forecasts, any ongoing development, data validation techniques and procedures, and the identification of additional carriers subject to the provisions of the IUSF. He will also back-up the services of Mr. Rolka in the performance of the duties of the fund Administrator. Dr. Loube has appeared before State Utility Commissions on several occasions on behalf of the Attorneys General, and/or Offices of Consumer Advocates. The specific proceedings in which Dr. Loube appeared, essentially as a public interest government sponsored witness, have been identified in the conflicts of interest portion of this response.

Dr. Loube, as an industry economist with the FCC, made significant contributions to the development and the implementation of the FCC's Synthesis model. He established the criteria for choosing the model. He evaluated the model by conducting numerous sensitivity runs and ensured that the model met the established criteria. His proposed changes to the model algorithms were incorporated into the final version of the model. He was responsible for determining many of the model inputs, and supervised the methods used to determine other input values.

In addition, Dr. Loube developed the algorithm that calculates model universal service support. The model calculates only non-rural carrier wire center cost. It does not determine support. Support is based on the FCC rules as specified in 47 C.F.R. Section 54.309 for incumbent non-rural carriers and 47 C.F.R. Section 54.307 for competitive eligible telecommunications carriers. Dr. Loube translated the rules into a mathematical algorithm and developed a working version of the algorithm in an Excel spread sheet. The spread sheet was given to the Universal Service Administrative Company (USAC) and it is used by USAC to determine model support.

Since leaving the FCC, Dr. Loube has continued to use and adopt the FCC's Synthesis model. In the California Public Utilities Commission's investigation of Verizon-California's UNE rates, Dr. Loube adopted the model to run for the Verizon-California study area as a combined unit.<sup>3</sup> In doing so, he had to alter the FCC's Synthesis because the model is designed to run the former GTE and Contel study areas as separate entities. His filed declaration and rebuttal declaration compare the results of the FCC's Synthesis to the results of the HAI model

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<sup>3</sup> Declaration and Rebuttal Declaration filed on behalf of The Utility Reform Network in re: Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks, Verizon UNE Phase, Investigation 93-04-002, filed August 6, 2004, and November 9, 2004.

and the Verizon proprietary model. Using the FCC's Synthesis model as a yardstick, Dr. Loube argued that the HAI model was superior to the Verizon model with regard to meeting the forward-looking model criteria established by the California Commission. Based in part on Dr. Loube's filings, the California Commission decided to use the HAI model rather than the Verizon model. Dr. Loube was the principle consultant in the Coastal Utilities proceeding for the Department of Justice and for the IRS in the Smithville matter.

Mr. Matthew Saltzer has been the lead developer of the databases used for each of the RLSA administrative clients, including Vermont, Arkansas, DC, Maine and USAC. He has ongoing responsibility for the mail log, recording lock box receipts, data entry and integrity and the development of regular and specialized reports including monthly statements of account for contributing entities, aging reports and preliminary fund performance reports which are reconciled with traditional accounting and banking records. Mr. Saltzer works directly with Mr. Rolka regarding aging reports, delinquencies and the imposition of late payment penalties and the development of the notices and other information appearing on the service provider monthly statements of account. At the direction of Mr. Rolka, Mr. Saltzer also develops the applications necessary to enable additional users to access to data entry templates and administrative reports generated by the RLSA database.

Mr. Saltzer has worked in the fields of Information Technology and management of information systems (MIS) since 1991. Initially Mr. Saltzer provided accounting and computer support to private law firms. His duties included the implementation of appropriate computer networks and the training of the firm's employees. He was instrumental in the development of various data-handling and office efficiency improvement software solutions.

Mr. Saltzer's work with RLSA entails the design and handling of electronic databases and the automated processing of information that are crucial for the Group's telecommunications and public utility consulting activities. Mr. Saltzer has designed and implemented various electronic database software solutions that deal with the reporting requirements for large numbers of telecommunications carriers in the areas of federal and state universal telecommunications services support programs. These databases are capable of handling, in an interrelated fashion, various items such as revenue reports, access line counts, carrier and contact information, the derivation of universal service support payments, etc. Mr. Saltzer is involved in the continuous improvement of associated software applications that record, validate, calculate and report data mandated by the various universal service support programs. Mr. Saltzer's activities encompass the reconciliation of various universal service carrier contribution assessments and support payments, as well as database software solution modifications as mandated by various changes in federal and state regulatory changes that affect universal service support mechanism.

RLSA has recently retained the services of a certified public accounting firm, Boles Metzger Brosius & Ritter PC for assistance generating monthly and annual financial statements using off-the-shelf QuickBooks accounting software which is maintained in coordination with the systems and applications dedicated to each of the state USF funds administered by RLSA. Until recently that functionality was provided by the book keeping staff of R&S LLP. The financial statements generated by the book keeping staff of R&S LLP have been included in and subjected to the annual independent audits of each of the funds discussed in this response. Each

of those successful annual audits has been conducted in compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board (G.A.S. B. & F.A.S.B.) requirements.

Mr. David O. Twaddell, Rhoads and Sinon, LLP has prepared the master contracts for services between RLSA and M&T Bank for administration of the Maine, Arkansas, DC and Vermont USF programs, and is available to consult with Mr. Rolka in the areas of the ongoing fiduciary responsibilities for the administration of the Missouri USF as necessary. Mr. Twaddell concentrates his practice in municipal finance, securities, health care, non-profit organizations and banking law. Since joining Rhoads & Sinon, LLP in 1981, Mr. Twaddell has served a wide range of clients with their special financing needs. Acting as bond counsel, bank counsel, underwriters' counsel and special projects counsel, he has managed public offerings and private placement of bonds and notes, bank loans, industrial and commercial development projects and state and federal grants and loans.

RLSA will subcontract with the M&T Bank for IUSF lockbox services as well as escrow work that will be done by M&T Bank trust services. The M&T Bank representative for the subcontracted trust and lockbox services, since July 2002, for Vermont, Arkansas, DC and Maine, will be Mr. Bernard V. Kelly, Vice President M&T Bank Trust Division, 213 Market Street, Harrisburg, PA 17101. Mr. Kelly's e-mail address is [bkelly@mantbank.com](mailto:bkelly@mantbank.com). Mr. Kelly's direct dial phone number is (717) 255-2213.

The staff of the Corporate Trust Division is easily accessible to client personnel, and other interested parties to answer questions, and assure that all aspects of this Fund are running smoothly. RLSA administers on line access to the daily activity in each of the state USF accounts and can provide the Commission with the ability to view reports of fund activity for each of the accounts used to manage the IUSF Funds. M&T Bank has a Link on its Web Site ([www.mandtbank.com](http://www.mandtbank.com)) that gives M&T Bank clients' access to StrataWeb. This Windows-based application allows clients to view their account information through an easy point-and-click process. Clients can download, save and print their information at any time.

## 5: Personnel

David W. Rolka, Robert Loube and Matthew Saltzer are pleased to announce that effective April 1, 2007, we became the new owners of the consulting firm Rhoads & Sinon Group LLC. We reached an agreement with our former employer, Rhoads & Sinon LLP (a law firm partnership) for the purchase of the rights and obligations of the consulting practice. We are staying in the same location with no changes to our contact information. Virtually nothing has changed, other than the transfer of ownership of the company to the same individuals who have been administering USF contracts since 2000. This has simply been a change of ownership. Please be assured that we are and will remain committed to the same high standards as owners as we were as employees.

RLSA will continue to assign David W. Rolka as Fund Manager to oversee ongoing operations. The Fund Manager will act as first point of contact with the Commission. In the unlikely event RLSA seeks to change the Fund Manager during the term of the contract, RLSA shall seek advance consent of the Commission for the new appointee, which consent shall not be unreasonably withheld.

RLSA will retain Rhoads & Sinon LLP, to obtain the legal assistance of Mr. David O. Twaddell, for the purpose of formalizing subcontracting arrangements with M&T Bank, and ensuring that the Fund complies with all necessary requirements for exemption from federal, state and local taxes. RLSA will subcontract with M&T for its financial services as identified in the RFP response. The draft subcontract language between RLSA and M&T can be shared with the Commission or Oversight Committee to assure that we address any questions that you may have with the subcontract arrangements particularly as they relate to the investment and security of the Fund investments and distributions.

The M&T Bank representative for the subcontracted trust and lockbox services for Vermont, Arkansas, DC and Maine, as been and will be Mr. Bernard V. Kelly, Vice President, M&T Bank Trust Division. Qualified and experienced persons will be assigned by M&T Bank to the Arkansas Universal Service Fund (AUSF) treasury operations including cash management, and investments.

RLSA will assign Matthew Saltzer to data operations, including daily billing, collection and accounts receivable.

Robert Loube, Ph.D will be assigned to IUSF forecasting and data validation operations. Dr. Loube is a senior economist, with expertise on economic changes in the telecommunications industry. Dr. Loube, as an industry economist with the FCC, made significant contributions to the development and the implementation of the FCC's Synthesis model. He established the criteria for choosing the model. He evaluated the model by conducting numerous sensitivity runs and ensured that the model met the established criteria. His proposed changes to the model algorithms were incorporated into the final version of the model. He was responsible for determining many of the model inputs, and supervised the methods used to determine other input values.

In addition, Dr. Loube developed the algorithm that calculates model universal service support. The model calculates only non-rural carrier wire center cost. It does not determine

support. Support is based on the FCC rules as specified in 47 C.F.R. Section 54.309 for incumbent non-rural carriers and 47 C.F.R. Section 54.307 for competitive eligible telecommunications carriers. Dr. Loube translated the rules into a mathematical algorithm and developed a working version of the algorithm in an Excel spread sheet. The spread sheet was given to the Universal Service Administrative Company (USAC) and it was used by USAC with the assistance of Mr. Rolka to determine high cost model and interim hold harmless support.

Since leaving the FCC, Dr. Loube has continued to use and adopt the FCC's Synthesis model. In the California Public Utilities Commission's investigation of Verizon-California's UNE rates, Dr. Loube adopted the model to run for the Verizon-California study area as a combined unit.<sup>4</sup> In doing so, he had to alter the FCC's Synthesis because the model is designed to run the former GTE and Contel study areas as separate entities. His filed declaration and rebuttal declaration compare the results of the FCC's Synthesis to the results of the HAI model and the Verizon proprietary model. Using the FCC's Synthesis model as a yardstick, Dr. Loube argued that the HAI model was superior to the Verizon model with regard to meeting the forward-looking model criteria established by the California Commission. Based in part on Dr. Loube's filings, the California Commission decided to use the HAI model rather than the Verizon model.

Boles Metzger Brosius & Ritter PC will assist with the maintenance of an independent off the shelf accounting application (QuickBooks Accounting) which will serve as one of the four independent systems maintained for the purpose of insuring the accuracy of all financial data base operations and systems and the regular generation of standard financial statements in compliance with generally accepted accounting principles for government entities, as defined by the Government Accounting Standards Board and the Financial Accounting Standards Board (G.A.S. B. & F.A.S.B.) requirements.

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<sup>4</sup> Declaration and Rebuttal Declaration filed on behalf of The Utility Reform Network in re: Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks, Verizon UNE Phase, Investigation 93-04-002, filed August 6, 2004, and November 9, 2004.



## **6: Statement of Potential Conflicts of Interest**

Both the RLSA and Rhoads & Sinon, LLP adhere to the stringent Code of Professional Conduct for attorneys, including but not limited to preserving the confidentiality of communications and information.

RLSA is neutral, impartial and independent. RLSA has not and will not advocate specific positions before the Indiana Utility Regulatory Commission in administrative proceedings related to common carrier issues on behalf of any telecommunications carrier or its affiliate. Neither RLSA nor any of its proposed subcontractors are an affiliate of any provider of telecommunications services, and does not have a board of directors that includes members with direct financial interests in entities that we anticipate will contribute or receive support from the Indiana Universal Service Fund (IUSF).

Mr. Rolka, has contracted to provide professional consulting services in an advisory capacity to the IURC from late 2000 through mid-year 2003 in Commission Cause No. 42218A. Mr. Rolka has also been monitoring the progress of the Commission proceedings which have resulted in the release of the RFP for an administrator of the IUSF for several years and in January 2005 wrote to the members of the Oversight Committee<sup>5</sup> to confirm our interest in serving as administrator of the IUSF.

Since beginning business in January 2000 the members of the firm had provided professional consulting and administrative services to regulatory commissions, public interest advocates, attorney generals and agencies of the federal government with few exceptions for non-governmental/public interest clients. The exceptions among our current and active clients include the following:

- CTIA – RLSA occasionally provides economic analysis and identifies sources of relevant data regarding FCC proposals on federal universal service programs to facilitate the development of comments by the association. RLSA does not participate in the development of any comments filed with the FCC.
- Centennial Communications – RLSA assists in the projection of anticipated support levels from the federal universal service programs and examines receipts for discrepancies.
- Polygon Investment Partners – RLSA provides background information to this investment firm regarding the activities of the Pennsylvania PUC in various proceedings related to changes in retail and wholesale electric distribution.

The exceptions among our inactive and former clients have included the following:

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<sup>5</sup> Letters were sent January 17, 2005 to: Mr. Ron Keen, Telecom Division Director, Office of the Utility Consumer Counselor; Ms. Pamela Sherwood, VP Regulatory, Time Warner Telecom; Mr. Mitch Procter, Manager-External Relations, TDS Telecom; Mr. Alan Matsumoto, Sprint; Mr. David R. Conn, T-mobile; and Mr. Jim Stidham, SBC.

- Valor – R&S Group provided advice to the entity considering the purchase of various GTE properties regarding a proposal for alternative regulation of those properties upon the conclusion of an agreement to purchase.
- Columbia Water – A former member of the parent law firm, now former member of the consulting practice, continued to provide legal support to the law firm in a formal rate case for a local water company. The consulting practice had no role in the proceeding.
- Yorktown Water – A former member of the parent law firm, now a former member of the consulting practice, continued to provide legal support to the law firm in a formal rate case for a local water company. The consulting practice had no role in the proceeding.
- XO Communications – R&S Group provided data analysis of various proposals for metrics associated with the petition of Verizon for relief from various provisions of TA-96.
- DTS/Pegasus – R&S Group provided data analysis of various market entry scenarios for a company that was considering the provision of telecommunications services via satellite to rural and underserved areas. The company is now operating in Texas.
- Babcock & Brown – R&S Group provided due diligence assistance to this investment firm regarding a competitive bid for the acquisition of several natural gas utilities in Pennsylvania and West Virginia.

A complete listing of present and past clients is attached as an appendix to this response. Missing client numbers relate to clients/matters that were never engaged.

### 7: Cost and Price Analysis

See the following Payment Provisions, which are based on the Commission estimate of approximately 200 retail telecommunications service providers and 37 recipient carriers, for administration of the IUSF<sup>6</sup>:

#### PAYMENT PROVISIONS

1. The Commission through the IUSF shall pay RLSA for all non-per diem cost functions, in the following amounts:

##### IUSF Fixed Costs

Payment of thirteen equal monthly invoice amounts of \$7,450.00 shall be made, by transfer from the IUSF to RLSA, commencing on December 20, 2007 and ending December 20, 2008, unless extended for additional years upon the agreement of the parties.

IURC or Court-mandated Support True-Ups that affect all support recipients on a retroactive basis will be billed at the per diem rate per occurrence.

<b>Contract Period</b>	<b>2007 &amp; 2008</b>	<b>2009 &amp; 2010</b>
IUSF Costs	\$96,850	\$162,720
<b>Total</b>	<b>\$259,570</b>	

2. The Commission shall pay Rolka Loube Saltzer Associates through the IUSF for additional functions as follows (in addition to travel expenses which will be reimbursed separately), with the rate shown being the amount per person.

<b>Contract Period (hourly not to exceed)</b>	<b>2007</b>	<b>2008</b>	<b>2009 &amp; 2010</b>
Auditing	\$140	\$140	\$140
Legal	\$225	\$225	\$225
Consulting Services			
Level A	\$170	\$170	\$170
Level B	\$90	\$90	\$90
Level C	\$60	\$60	\$60

<sup>6</sup> RLSA will review the number of retail telecommunications service providers (RTSP) in relation to the estimate of 200 RTSPs on a quarterly basis and prospectively adjust the monthly invoice level by \$425 per month per fifty RTSPs, to reflect increases or decreases of fifty or more in the number of RTSPs.

3. Rolka Loube Saltzer Associates may receive reimbursement from the funds for reasonable and necessary expenses incurred by Rolka Loube Saltzer Associates in performance of services, as described in the contract, including:

a. Reasonable travel and living expenses associated with travel to Indiana for per diem reimbursement functions. (Living expenses include food, lodging, and local travel expenses. Entertainment, valet laundry, personal phone calls tips and other personal items are excluded).

b. Payments to an independent accountant for the annual external audit and any other auditing requested by the IURC, at rates quoted in advance, not to exceed the per diem rate above upon written confirmation by the Commission.

c. Extraordinary legal provided with the concurrence of the IURC, at rates quoted in advance, not to exceed the per diem rate above upon written confirmation by the Commission.

Additional terms and conditions:

Subcontracting:

RLSA will not subcontract any portion or the services to be performed under this Agreement without written approval from the IURC.

RLSA anticipates that the following subcontractors continue to be approved to supply resources for this Agreement upon acceptance of our proposal:

Rhoads & Sinon LLP, One South Market Square, Harrisburg, Pa. 17108-1146.

M&T Bank, 213 Market Street, Harrisburg, Pa. 17101

The following is intended to be responsive to part III.7 of the RFP to support the reasonableness of the prices quoted above.

**Workplan time estimates for Contract period 12/14/07 - 12/31/08  
(with extra report due February 15, 2009)**

Task Description	Time Estimate		
	Level A (Economist, Contract Coordinator/ Director)	Level B (Programmer, Senior Data/Account Analyst)	Level C (Account Specialist, Data Clerk)
Initiate trust and lockbox agreements w/ M&T Corp Trust Department	1.0		
Draft change of fund notice to IN service providers.	1.0	2.0	
Build and maintain IUSF area on web site		10.0	

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 50

Make arrangements for the scheduled transfer of fund balances	1.0		
Transition electronic copy of database(s) from Interim Administrator		3.0	
Identify and establish chart of accounts for IUSF bookkeeping operations		1.0	
Edit all forms and instructions as necessary	1.5	6.5	
Consult with auditors, on the current chart of accounts and related government audit requirements	0.5	0.5	
Develop or modify the existing information package for distribution	0.5	1.5	
Create database reports for monthly carrier correspondence of activity, delinquencies, assessments, payment, late payment charges, filing frequency, contact information, assigned ID, next filing expectation and more		15.0	
Create or update IUSF reporting schedule beyond 2007 for distribution		0.5	
Identify any ongoing collection activities and determine course of action	3.0	12.0	
Determine sufficiency of the fund	4.0		
Clarify/Confirm the disbursement process and schedule	2.0		
Identify outstanding disbursements and reimbursements	1.0		
Put monthly trend analysis procedure in place		2.5	
Database modifications and set up as necessary		32.0	
Revise format of monthly status reports as necessary	1.5	7.0	
Open RLSA accounting records and reports		1.7	
Prepare non-disclosure agreements for RLSA staff / contractors	0.7		
Prepare conflict of interest statements for RLSA staff / contractors	0.7		
Prepare "instruction to M&T Bank" document for disbursement use by RLSA as trustee of the IUSF	1.5		
Amend insurance applicable to this contract as necessary:	1.0		
Correspond with carriers by phone, fax, email, US mail (documentation recorded)	34.0	56.0	80.0
Maintain records of interpretations	7.0	2.0	
Process submissions received	5.0	64.0	140.0
Validate submissions are complete and fit trended expectations from carrier (done as part of processing)			
Work to informally resolve provider disputes regarding submissions	4.0	11.0	
Provide written documentation to the Commission regarding any carrier appeals	9.0	1.0	
Provide to the Commission any provider delinquency appeal documentation	1.0	1.0	
Process incoming payments	1.0	20.0	43.0

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 51

Create backup and store offsite			1.8
Update carrier database with new and closed account information as discovered		8.0	
Prepare and send introductory packages to new carriers		7.0	
Prepare carrier accounts for monthly statement distribution by applying credits and payments to unpaid debts as appropriate		6.0	
Generate late payment charges and estimated charges (for overdue unknown assessment amounts)		2.0	
Prepare and send statements of account to contacts of each carrier		22.0	
Authorize fund distributions	12.0		
Report the status of the fund	12.0		
Reconcile the banking, fund performance, accounting and database records	18.0	9.0	
Prepare delinquency report			2.0
Review delinquency report and forward to Commission with any action documentations and recommendations to reflect extraordinary account delinquencies	12.0	7.0	
Prepare and submit annual report of statistics for 2007	1.0	4.0	
Prepare and submit unaudited annual financial statement using accrual accounting for 2007	3.5	1.0	
Survey carriers and compile data, prepare and submit annual report of reported carrier revenues for 2007	0.3	11.0	
Calculate carrier support requirements, fund budget and announce/publish 2009 assessment rate	40.0	2.0	
Develop and distribute 2009 annual schedule of filing due dates, worksheet and related reporting materials to carriers		8.0	
Prepare and submit annual report of statistics for 2008	1.0	4.0	
Total Hours	181.7	341.2	266.8
Hourly Rate	\$ 170.00	\$ 90.00	\$ 60.00
Total per classification	\$ 30,889	\$ 30,708	\$ 16,008
Banking fees		\$18,700	
Office Supplies (inc. paper, envelopes)		\$100	
Postage		\$150	
Toll call charges		\$300	
Total Fee for Period		\$96,850	

**Workplan time estimates for Contract extension period 1/1/09 - 12/31/10  
(with extra report due February 15, 2011)**

Task Description	Time Estimate		
	Level A (Economist, Contract Coordinator/ Director)	Level B (Programmer, Senior Data/Account Analyst)	Level C (Account Specialist, Data Clerk)
Maintain IUSF area on web site		10.0	
Populate database carrier filing expectations per account		4.0	
Determine sufficiency of the fund	8.0		
Database functionality modifications/improvements		20.0	
Correspond with carriers by phone, fax, email, US mail (documentation recorded)	64.0	96.0	160.0
Maintain records of interpretations	14.0	4.0	
Process submissions received	8.0	120.0	280.0
Validate submissions are complete and fit trended expectations from carrier (done as part of processing)			
Work to informally resolve provider disputes regarding submissions	8.0	20.0	
Provide written documentation to the Commission regarding any carrier appeals	18.0	2.0	
Provide to the Commission any provider delinquency appeal documentation	2.0	2.0	
Process incoming payments	2.0	40.0	80.0
Create backup and store offsite			3.6
Update carrier database with new and closed account information as discovered		16.0	
Prepare and send introductory packages to new carriers		8.0	
Prepare carrier accounts for monthly statement distribution by applying credits and payments to unpaid debts as appropriate		12.0	
Generate late payment charges and estimated charges (for overdue unknown assessment amounts)		4.0	
Prepare and send statements of account to contacts of each carrier		40.0	
Authorize fund distributions	24.0		
Report the status of the fund	24.0		
Reconcile the banking, fund performance, accounting and database records	36.0	14.0	
Prepare delinquency report			4.0
Review delinquency report and forward to Commission with any action documentations and recommendations to reflect extraordinary account delinquencies	24.0	14.0	

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 53

Prepare and submit annual report of statistics for 2008 & 2009	2.0	8.0	
Prepare and submit unaudited annual financial statement using accrual accounting for 2008 & 2009	7.0	2.0	
Prepare and submit annual report of reported carrier revenues for 2008 & 2009	0.6	7.2	
Calculate carrier support, fund budget and announce/publish assessment rate for coming year	64.0	4.0	
Develop and distribute 2010 & 2011 annual schedule of filing due dates, worksheet and related reporting materials to carriers	6.0	26.0	
Prepare and submit annual report of statistics for 2009 & 2010	2.0	8.0	
Total Hours	313.6	481.2	527.6
Hourly Rate	\$ 170.00	\$ 90.00	\$ 60.00
Total per classification	\$ 53,312	\$ 43,308	\$ 31,656
Banking fees	\$33,350		
Office Supplies (inc. paper, envelopes)	\$200		
Postage	\$300		
Toll call charges	\$600		
Total Fee for Period	\$162,720		



## **8: Time Estimates**

Upon notification that a contract between the Indiana Utility Regulatory Commission and RLSA is awarded for the administration of the Indiana Universal Service Fund (IUSF), RLSA will immediately undertake the necessary tasks and activities described herein in order to ensure the continuation and transition of the administration.

This Proposal has been drafted to be responsive to the Commission Request For Proposal dated August 23, 2007 at IURC Cause No. 42144. It is our understanding that the Commission would like the Indiana Universal Service Fund to initiate / continue operations without disruption. The award of the contract to RLSA assures that the carriers participating in the programs will not have to make unnecessary adjustments to their reporting and contributions systems and that the programs will continue to operate in a continuous manner.

RLSA proposes to enter a contract, with the Indiana Utility Regulatory Commission for the administration of the State's Universal Service Fund. We propose to continue the uninterrupted administration of the USF, immediately upon notification that we have been selected and commencement of the transition activities necessary for a prompt replacement of the Interim Administrator. We are familiar with the standard Indiana Utility Regulatory Commission contract for services and have not identified any contract issues. RLSA is prepared to promptly enter into a standard IURC contract which incorporates this proposal for administration of the IUSF.

See 7. Cost and Price Analysis for the time assigned to the required activity estimated for each issue area and task in the Work Plan.

### **9: Statements of Confidentiality & Understanding**

During the course of the contract, RLSA agrees that it shall not disclose the progress or preliminary findings of the Project other than to the Staff, and that it shall comply with Commission Orders regarding the treatment of proprietary information.

RLSA has read the Indiana Utility Regulatory Commission RFP in its entirety as well as the published responses to RFP Bidder Questions and understands all of its sections and will comply with those sections.

RLSA has followed procedural rules and laws for the protection of confidential information. Some of the information to be provided to RLSA will be confidential information. RLSA will safeguard this information using physical and data access controls, signed non-disclosure agreements, contractual agreements and employee education and awareness training.

- Each employee and agent of RLSA having access to IUSF information will sign a non-disclosure agreement regarding the protection of confidential information.
- Prior to each audit or compliance check of a carrier in which RLSA will review additional records of a carrier, RLSA will agree to sign a separate agreement for the protection of confidential information derived from those records.
- RLSA will take reasonable steps to ensure the physical security of confidential information maintained by RLSA or its employees.

If RLSA receives a request to disclose confidential information from a person or organization other than the Commission or their authorized employees, RLSA shall deny the request and inform the requester that such requests for information may be filed at the Commission. The Commission will then determine whether the information should be disclosed.

Any and all information collected under this contract shall be made available to the Commission or their authorized employees upon request.

RLSA recognizes the confidential nature of the quasi-judicial deliberations of the Commission and its staff and agrees to respect and honor those confidences.

RLSA has adopted a Non-Disclosure policy requiring protection of information that is confidential under each of its contracts for USF administrative services. RLSA will require all employees who perform services under this contract to agree to be bound by that policy.

**Part 10: Financial Statements**

As of April 2, 2007 RLSA acquired the business interests and all employees of Rhoads and Sinon Group LLC (R&SG). All of the active clients of R&SG have become clients of RLSA and we anticipate that the financial statements of R&SG would be a fair representation of the financial position of RLSA. However, we no longer have access to those records but we are able to provide a summary of the income statements for the prior two years below.

	Rhoads & Sinon Group LLC Income Statement For the FY 2006	
	Current Year	Prior Year
Income:	608,784.98	504,896.02
Expenses:	494,225.51	472,795.85
Income Before Taxes:	114,559.47	32,100.17

## 11: Equal Employment Opportunity Policy

RLSA upon formation has adopted an equal employment opportunity policy, a copy of which is incorporated below. RLSA has also secured a line of credit to support operations which has been insured with the U.S. Small Business Administration and appropriately posts the Statement of Policy regarding Equal Employment Opportunity and Equal Treatment of Clients in accordance with the regulations of the Small Business Administration<sup>7</sup>.

### M E M O R A N D U M

**TO:** Employees & April 2, 2007  
Applicants for Employment

**RE:** Equal Employment Opportunity

**Objective:** To obtain qualified employees consistent with position requirements; to seek, employ, promote, and treat all employees and applicants for employment without discrimination as to race, color, religion, sex, age, disability, or national origin.

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It is the policy of Rolka Loube Saltzer Associates to give equal opportunity to all qualified persons without regard to race, color, religion, sex, age, disability, or national origin.

All employment practices are to ensure that all individuals are recruited, hired, assigned, advanced, compensated and retained on the basis of their qualifications, and treated equally in these and all other respects without regard to race, color, religion, age, sex, disability, or national origin. It shall be considered the responsibility of supervisory employees to further the implementation of this policy and ensure conformance of their subordinates. Supervisory personnel as well as those responsible for hiring new employees must take all necessary action to the eliminate of possible discrimination towards employees and applicants for employment with Rolka Loube Saltzer Associates in all categories and levels of employment and employee relations.

Responsibility for seeing that this policy is continuously followed has been assigned to David W. Rolka, President.

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David W. Rolka, President

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<sup>7</sup> SBA Form 722 (8-93) Ref: SOP 90301.

## 12: Professional Personnel Profiles

### David W. Rolka



**Direct Dial No. (717) 231-6661**

**Facsimile No. (717) 231-6667**

**E-Mail: [drolka@r-l-s-a.com](mailto:drolka@r-l-s-a.com)**

Former Pennsylvania Public Utility Commissioner David W. Rolka draws on a wide range of experience in utility issues.

He experienced, during his more than twenty years in the regulation of investor owned utilities, the Three Mile Island accident, the breakup of AT&T, legislative changes in traditional and alternative regulation, as well as the restructuring of the electric, natural gas, and telecommunications utility industries.

He was also one of the principal architects of the Pennsylvania Global telecommunications proceedings

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Chairman, Pennsylvania Public Utility Commission, December, 1991 - March, 1995.

Commissioner, Pennsylvania Public Utility Commission, December, 1989 - September, 1999.

**PUBLIC UTILITY  
COMMISSION  
EMERITUS  
AFFILIATIONS:**

Member, National Association of Regulatory Utility Commissioners (NARUC) Board of Directors.

Member, NARUC Committee on Telecommunications.

Member, 'Alaska' Federal-State Joint Board (FCC CC Docket No. 83-1376).

Member, 'Separations' Federal-State Joint Board (FCC CC Docket No. 80-286) (State Chair).

Member, NARUC Ad Hoc Committee on International Relations; Local Competition Work Group; Access Issues Work Group;

Director of Operations, Pennsylvania  
Office of Consumer Advocate, August  
1984 - December 1989.

Executive Assistant to Pennsylvania  
Public Utility Commissioner Michael  
Johnson, January 1977 - July 1984.

Administrative Officer, Pennsylvania  
Department of Agriculture, Office of  
Planning and Research, May 1974 -  
December 1976.

University of Pittsburgh, Bachelor of  
Arts, April 1974.

Universal Service Work  
Group; Interconnection  
Pricing Work Group; Ad  
Hoc Legislative Action  
Committee.

Chair, NARUC Board of  
Directors Subcommittee on  
Administration (parent to  
subcommittees of:  
Administrative Law Judges;  
Consumer Affairs;  
Education; Executive  
Directors; Law; and Public  
Information).

Board of Directors,  
National Regulatory  
Research Institute, Ex-  
Officio.

Chaired, NARUC Ad Hoc  
Committee on Strategic  
Planning.

Member, North American  
Numbering Council  
(NANC).

## Dr. Robert Loube



Dr. Robert Loube has participated in the major debates and changes that have transformed the regulatory landscape over the last sixteen years.

His work at the state and federal level has focused on the use of economic and embedded cost analyses to determine rates and subsidy levels. He has developed mechanisms that allocate universal service support among states and carriers. He has testified on a range of telecommunications issues, including rate design, incremental cost studies, and tests for the existence of competition.

He also has testified on electric utility issues such as rate design, least cost planning and the financial viability of electric utilities. With the NARUC staff subcommittee on telecommunications and with various federal-state joint boards, he has worked to enhance mutual understanding and cooperation among federal and state agencies.

Telecommunications Policy Analyst,  
GS 301-15  
Federal Communications Commission  
May 1996 to April 2001

**Direct Dial No. (301) 681-0338**  
**Facsimile No. (717) 231-6600**

**E-Mail:** [bobloube@earthlink.net](mailto:bobloube@earthlink.net)

or [rloube@r-l-s-a.com](mailto:rloube@r-l-s-a.com)

Principal Utility Analyst,  
Indiana Utility Regulatory Commission  
January 1985 to February 1986

Assistant Professor,  
James Madison University,  
September 1983 to December 1984

Instructor,  
James Madison University,  
September 1979 to June 1983

Economist in the Office of Director,  
Bureau of Economic Analysis, Department  
of Commerce, Washington D.C.,  
November 1972 to September 1975

Michigan State University  
Doctor of Philosophy, Economics, June  
1983

University of Massachusetts-Amherst,  
Master of Arts, June 1971

University of Maryland-College Park,  
Bachelor of Science, June 1969

PUBLIC UTILITY COMMISSION

Director, Office of Economics  
Public Service Commission of the District of  
Columbia,  
July 1993 to May 1996

Acting Director, Office of Economics  
Public Service Commission  
of the District of Columbia,  
February 1993 to July 1993

Senior Telecommunications Economist  
Public Service Commission  
of the District of Columbia,  
May 1989 to the February 1993.

Econometrician,  
Indiana Utility Regulatory Commission  
February 1986 to May 1989

EMERITUS AFFILIATIONS:

Member of the state staff, 'Separations'  
Federal-State Joint Board (FCC CC Docket  
No. 80-286).

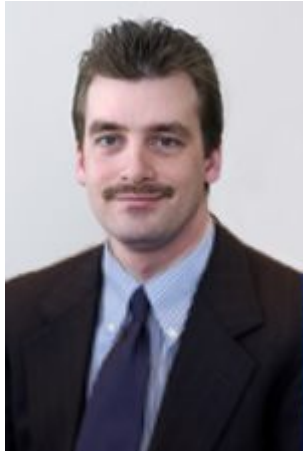
Member of the federal staff, 'Universal  
Service' Federal-State Joint Board (FCC  
CC Docket No. 96-45).

Member of the federal staff, 'Separations'  
Federal-State Joint Board (FCC CC Docket  
No. 80-286).

Staff member, NARUC Universal Service  
Work Group and Access Issues Work  
Group.



**Matt Saltzer**



**Direct Dial No. (717) 237-6748**

**Facsimile No. (717) 231-6667**

**E-Mail: [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com)**

Matt Saltzer has worked in the fields of Information Technology and management of information systems (MIS) since 1991. Initially he provided accounting and computer support to private law firms. His duties included the implementation of appropriate computer networks and the training of the firm's employees. He was instrumental in the development of various data-handling and office efficiency improvement software solutions.

Matt's work with Rolka Loube Saltzer Associates entails the design and handling of electronic databases and the automated processing of information that are crucial for the Group's telecommunications and public utility consulting activities. Matt has designed and implemented various electronic database software solutions that deal with the reporting requirements for large numbers of telecommunications carriers in the areas of federal and state universal telecommunications services support programs. These databases are capable of handling, in an interrelated fashion, various items such as revenue reports, access line counts, carrier and contact information, the derivation of universal service support payments, etc. Matt is involved in the continuous improvement of associated software applications that record, validate, calculate and report data mandated by the various universal service support programs. Matt's activities encompass the reconciliation of various universal service carrier contribution assessments and support payments, as well as database software solution modifications as mandated by various changes in federal and state regulatory changes that affect universal service support mechanisms.

## **RLSA client Information**

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500011 01 Institute Public Utilities (MI. State)  
500014 07 Pa OCA (North Pgh)  
500015 01 New Hampshire OCA (TDS AFOR)  
500019 01 CTIA (Econ Anal @ 96-45)  
500023 01 Arkansas – (USF admin)  
500023 02 Arkansas – (ETF admin)  
500023 07 Arkansas – (HCF admin)  
500033 05 Washington Attorney General (Qwest forbearance petition @ FCC)  
500038 03 Maine Office of Public Advocate (Maritimes Settlement admin.  
500038 03 Maine Office of Public Advocate (Fairpoint)  
500040 02 Centennial Communications (FCC USF support projection & validation)  
500042 01 Vermont (USF admin)  
500044 01 Polygon Investment Partners LP (monitor PA POLR proceedings)  
500045 01 Public Interest Advocacy Center, Canada (review evidence on deregulation)  
500048 01 Consumers Council of Canada (incentive regulation for natural gas companies)  
500049 01 Public Service Commission of DC (USTF admin)  
500050 01 US Internal Revenue Service (Smithville - )  
500050 02 US Internal Revenue Service (SBC – Civil No. SA-07-CA-0197-00)

## **INACTIVE OR CLOSED**

500001 01 *USAC (consulting) (7199/1)*  
500001 02 *USAC (ICLS) (7199/2)*  
500002 01 *PA SenatorMellow*  
500003 01 *NextLink*  
500004 01 *Valor (Alternative Regulation startup)*  
500005 01 *Indiana URC (7409/01)*  
500005 02 *Structural Separations (7409/02)*  
500006 01 *Citizens for Pa's Future (7429/01)*  
500007 01 *N.J. Senate Min Caucus (7444/01)*  
500008 01  
500009 01 *Alabama PSC*  
500009 02 *Alabama PSC - UNE ( )*  
500010 01  
500012 01 *D.C. People's Counsel (7849/01)*  
500013 01  
500014 01 *Pa OCA (NASUCA) (7872/01)*  
500014 02 *Pa OCA Pa docket No. I-0040105*  
500014-03 *Pa OCA Pa docket No. C-20027195*  
500014-04 *PA OCA FCC docket No. 05-205*  
500014 05 *PA OCA analysis of Missoula Plan on file with the FCC.*  
500014 06 *PA OCA Commonwealth proposed acquisition by Citizens Comm. Co*  
500015 01 *NH OCA (7920/01)*  
500016 01 *R & S LLP – (a project by Deb Kriete XO) (5550-13)*  
500017 01 *Gabel Communications Inc (Calls)*  
500017 02 *Gabel Communications Inc (Florida)*  
500017 03 *Gabel Communications Inc (Brdband)*  
500017 04 *Gabel Communications Inc (TRO)*

RLSA Proposal to Administer the Indiana Universal Service Fund

October 4, 2007

Page 64

500017 05 *Gabel Communications Inc (NASUCA) (ICC) (FCC Docket No. 05-205)*  
500018 01 *Maine (USF Administration) (8115.1)*  
500018 02 *Maine (TEAF Administration) (8115.2)*  
500020 01 *Scott Kennedy (Nevada) (8349-01)*  
500020 02 *Scott Kennedy Md OPC PSC No. 9046*  
500021 01 *Rick Guzman (TX surcharge case)*  
500022 01 *Alaska Reg. Commission ( )*  
500023 03 *Arkansas – (USF Audit) (8763/3)*  
500023 04 *Arkansas – (ETF Audit) (8763/4)*  
500023 5 *Arkansas – (SBC challenge) (8763/5)*  
500023 06 *Arkansas - (2006) (8763/6)*  
500024 01 *Columbia Water (5858-09)*  
500025 01 *Yorktowne (7768-01)*  
500026 01  
500027 01  
500027 01  
500028 01  
500029 01 *Rowland Curry (Pa OCA)(Pa Triennial Review)*  
500029 02 *Rowland Curry (South Carolina TRO)*  
500030 01  
500031 01  
500032 01 *TURN California (cost model analysis)*  
500033 01 *Wa. Attorney General (Vz rate case) (9201/01)*  
500033 02 *Washington Attorney General (Post Order ITAC issues)*  
500033 03 *Washington Attorney General (Sprint-Nextel merger)*  
500034 01 *South Carolina PSC (Gas & Elect. rate case) ( )*  
500035 01 *XO Communications (options memo)*  
500036 01 *DTS/Pegasus (Mkt entry & USF)*  
500037 01 *US Dept of Justice v. Coastal Utilities (tax proceeding, Civil No. CV404-90 )*  
500038 01 *Maine Office of Public Advocate (line sharing investigation)*  
500038 02 *Maine Office of Public Advocate (Vz-AFOR remand)*  
500038 04 *Maine Office of Public Advocate (amendment of matter 1 to include Verizon-MCI merger)*  
500038 05 *Maine Office of Public Advocate (Verizon AFOR II)*  
500038 06 *Maine Office of Public Advocate (Separations comments)*  
500038 07 *Maine Office of Public Advocate (amendments to the Missoula Plan)*  
500039 01 *AARP (Vz rate case see also 500033-1) (9201/01)*  
500040 01 *Centennial Communications Corp. white paper on Vz Puerto Rico*  
500041 01 *Babcock & Brown LGDC acquisition assistance*  
500043 1 *Maryland Office of Peoples Counsel interconnection/access dispute (9046)*  
500043 2 *Maryland Office of Peoples Counsel reclassification of Svcs (9072)*  
500046 1 *Michigan Attorney General docket # U-15036 AT&T rate incr.*  
500047 1 *W. Va Consumer Advocate Div. comments on FCC Doc. No 01-92 Intercarrier Comp*