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SEP 29 2014

FCC Mail Room

September 24, 2014

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20055

Re: Emergency Request for Expedited Treatment of the Request for Review of a Decision of the USAC Administrator for Waiver of Deadline for Filing Revisions to FCC Form 499-Q- VIP Communications, Inc., 499 Filer ID 821408 CC Docket No. 96-45

Dear Ms. Dortch:

Enclosed please find, for filing one original and four (4) copies of the Emergency Request for Expedited Treatment of the Request for Review of a Decision of the USAC Administrator and Request for Waiver of Deadline for Filing Revisions to FCC Form 499-Q, filed on behalf of VIP Communications, Inc.

Thank you for your assistance in this matter and please do not hesitate to contact me if you have any questions or concerns.

Sincerely Yours,

A handwritten signature in black ink, appearing to read 'Graham Milne'.

Graham Milne
President and CEO
VIP Communications, Inc.

No. of Copies rec'd
List ABCDE

0+4

Received & Inspected

SEP 29 2014

FCC Mail Room

EMERGENCY REQUEST FOR EXPEDITED TREATMENT

**REQUEST FOR REVIEW BY VIP COMMUNICATIONS, INC. OF A DECISION OF
THE UNIVERSAL SERVICE ADMINISTRATOR AND REQUEST FOR WAIVER OF
DEADLINE FOR FILING REVISIONS TO FCC FORM 499-Q**

VIP Communications, Inc. ("VIP" or "Company") (Filer ID: 8213408) files this request pursuant to Section 54.719 and Section 1.3 of the Federal Communications Commission's Rules, 47 C.F.R. 54.719, to seek review of the decision to not allow VIP to revise its November 2013 FCC Form 499-Q after the deadline passed to revise the form, and to seek waiver of the FCC's requirement that revisions to the FCC Form 499-Q must be filed within 45 days of the filing due date. VIP also requests that the Commission reverse any interest and penalties associated with any outstanding amounts both while this request is pending and for any overages, interest, penalties, or associated fees realized as a result of this occurrence.

Further, the company requests that the FCC expeditiously grant this request and direct the Universal Service Administrative Company ("USAC") to accept its revised, and corrected November 2013 FCC Form 499-Q, and to process it as if it was timely filed, which would then reverse any penalties and interest associated with the filing and avoid any true-up differential that may be applied.

VIP has been filing the FCC Form 499-Q as required for twelve years. For the first time in its history of filing reports with USAC, VIP made inadvertent clerical errors on its November 2013 FCC Form 499-Q that substantially inflated the Company's assessable projected end user revenues. Further, VIP did not receive any communications from USAC regarding its error. VIP did not discover the error until March 2014, when our substantial USAC credit balance was eliminated by the greatly increased USAC monthly bill (See Exhibit A).

As a result, VIP missed the 45-day deadline for revising the filing, and received invoices that were fifteen times what they should have been, totaling \$44,373.84, based on the accepted, incorrect November 2013 FCC Form 499-Q. In March 2014, immediately upon realizing the error, VIP contacted USAC by phone and spoke to the billing department, who advised that there was nothing that could be done, but that the discrepancy would be sorted out in the July 2014 true-up process. Based on this information, VIP continued paying the

amounts that would have been due had the November 2013 FCC Form 499-Q been filed correctly or \$2,963.52.

In July 2014 the true-up did not resolve the situation, and upon further enquires with USAC, VIP came to understand that the error would not be rectified until July 2015 since the billing period was in 2014. While the amounts that are due will be credited in the 2015 true-up process, the Company would be required to wait more than a year for these amounts to be credited. Further, grant of this waiver is necessary to reverse any interest and penalty payments associated with the November 2013 Form 499-Q filing. As the FCC explained in granting a similar request, "by processing the revised form as if timely filed, USAC would substitute the projected revenues on the revised [FCC Form 499-Q] for the projected revenue... associated with the erroneously reported revenue"¹. Additionally, by allowing the Company to amend its November 2013 FCC Form 499-Q the "true-up differential" will be avoided. The FCC has explained that the true-up differential occurs because "USAC refunds overpayment to contributors at the average of the two lowest contribution factors for the year" and is therefore avoided when the Commission waives the 45-day revision window and directs USAC to process the revision as if timely filed.

It is in the public interest for the Commission to reverse USAC's decision and to waive the revision deadline. The FCC has granted similar waiver requests in substantially similar circumstances to those presented by VIP. Granting VIP's waiver request will be consistent with Commission precedent and the goals of the federal USF, and will alleviate any financial hardship imposed on VIP because of its inadvertent clerical error, while not affecting the funding of USF.

I. BACKGROUND

VIP Communications, Inc. was founded in 1996. The Company provides domestic and international long distance service in the US. VIP provides its services to approximately one hundred thousand customers. VIP currently employs 40 people.

On November 1, 2013, VIP filed its November 2013 FCC Form 499-Q (See Exhibit B) and

¹ In the matter of Universal Service Contribution Methodology, Request for Review of a decision of the Universal Service Administrator and Request for Waiver by American Broadband & Telecommunications, WC Docket 06-122, Order, Da 13-1608.

inadvertently reported a significantly increased projection of total revenues for the first quarter of 2014. This projected total revenue number was reported on Line 120 as the Company's projected collectable assessable revenue for the first quarter of 2014. As a result, the Company reported a significant jump in assessable revenues, which were approximately fifteen times what they have been historically.

The officer of the Company responsible for administration of the FCC Form 499-Q did not receive any notification from USAC that the revenues reported on the November 2013 FCC Form 499-Q were significantly higher than those reported by VIP previously, and, therefore, did not realize the error within the 45-day revision period. Rather, VIP did not realize the error until March 2014, when our substantial USAC credit balance was eliminated by the greatly increased USAC monthly bill of \$14,791.28 (See Exhibit A), which was fifteen times the amount VIP would typically owe in a given month, and the amounts billed throughout the quarter substantially exceeded what VIP would owe USF in a given year.

The Company investigated as to the source of this spike in its invoices from USAC and discovered the error on the November 2013 FCC Form 499-Q. This investigation revealed the clerical error to be one of simple human error. In addition, the Company has taken steps to improve its internal processes for reporting and verifying to ensure that this error does not happen in the future.

VIP contacted USAC about this issue, and filed a revised November 2013 499-Q on August 15, 2014 (See Exhibit C). The filing was delayed initially because it was understood from a conversation with one of the USAC billing specialists that the 20104 true-up process would rectify the situation. Only after the true-up process occurred did we realize that it would not be resolved until the 2015 true-up process. This filing was rejected in a letter dated September 02, 2014, but was not received by the Company until September 11, 2014. A copy of this letter is included as Exhibit D. It is this rejection that is the subject of this request for Waiver.

II. THE COMMISSION HAS GOOD CAUSE AND PRECEDENT TO GRANT VIP'S WAIVER REQUEST

The FCC has the ability to waive its rules in instances where good cause is demonstrated. Additionally, the FCC may consider issues of hardship, equity, or more effective implementation of an overall policy on an individual basis. Further, waiver of the 45-day revision deadline for FCC Form 499-Q for VIP will not negatively impact the federal USF either fiscally or administratively to any significant extent.

The Commission has, on a number of occasions, reversed a decision by USAC and granted a waiver for filing deadlines in instances where there are ministerial errors that are similar to the circumstances presented by VIP. Indeed, VIP's circumstances are substantially similar to that of American Broadband & Telecommunications, ("American Broadband"),¹ and Peak Communications, Inc. ("Peak"),² all of whom were granted a waiver of the 45-day deadline for filing revisions to the FCC Form 499-Q.

The Commission concluded, in its American Broadband Order, that "strict enforcement of the revision filing deadline and the resulting interest and penalties would disproportionately penalize American Broadband. Given the clerical nature and magnitude of the error, we find that good cause exists to waive the filing deadline...we direct USAC to accept the revised filing as if timely filed and process it accordingly.

The circumstances in VIP's current situation are similar in that the errors made on the FCC Form 499-Q were of a clerical nature and not intentional nor deliberate; and the magnitude of the fees assessed will disproportionately penalize VIP. In addition, VIP will be assessed additional fees and penalties, and any overpayments would not be reimbursed until mid-2015.

Additionally, grant of this request is in the public interest. Over the course of its operations, VIP has never had an issue of this magnitude. If the initial November 2013 FCC Form 499-Q that VIP filed remains in place, without revision, VIP will be billed amounts that far exceed what it is responsible to pay into USF for all of 2014.

Further, VIP is a small provider, and cannot easily absorb USF fees that are

² Request for Review by Peak Communications, Inc. of a Decision of the Universal Service Administrator and Request for a Waiver of Deadline for Filing Revisions to FCC Form 499-Q, CC Docket 96-45.

approximately fifteen times what it owes and a wait exceeding a year for the true-up process to run its course and reimburse the Company.

III. REQUESTED RELIEF

VIP respectfully requests that the FCC provide the following relief:

1. Waive the 45-day revision deadline and direct USAC to accept the revised November 2013 FCC Form 499-Q form as if timely filed, and process accordingly;
2. Reverse any interest, fees, and penalties, as VIP has paid the amounts that would have been due if it's November 2013 FCC Form 499-Q was filed correctly.
3. Avoid any true-up differential.

VIP emphasizes the urgency on granting this waiver expeditiously. The Company is a small carrier, and is unable to absorb charges appreciably in excess of what it typically would pay. VIP will continue to pay correctly-calculated amounts as required. In addition VIP has adopted additional internal controls to ensure that such an error does not occur in the future. In addition, VIP's requested relief is aligned with recent Commission precedent, and its current situation is consistent with those circumstances. Accordingly, VIP requests that the Commission apply the same reasoning as it did in the American Broadband Order and Peak Communications Order and grant the requested relief. The clerical nature and magnitude of the errors and the undue financial harm that these clerical errors are causing the Company constitute good cause and special circumstances that justify the requested relief.

VIP Communications, Inc.

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Exhibit A

USAC 1st Quarter 2014 (January – March) Invoices

USAC

Universal Service Administrative Company

Helping Keep Americans Connected

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SEP 29 2014

FCC Mail Room

Filer 499 ID: 821408

Invoice Number: UBDI0000670317

Statement Date: 01/22/2014

New Balance: (\$9,771.49)

Payment Due Date: 02/14/2014

Amount Enclosed:

VIP Communications, Inc.
Attention: Cynthia Reyes
P.O. Box 1517,
Sterling, VA, 20167

Mail Payment To:

Universal Service Administrative Company
PO Box 105056
Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

If paying for multiple Filer 499 IDs, please check here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
	Previous Balance		(\$24,562.77)
01/15/2014	Support Mechanism Charges	\$14,791.28	
TOTAL OUTSTANDING USAC BALANCE AS OF 1/15/2014			(\$9,771.49)

Transactions occurring after 01/15/2014 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this Invoice for important information about those sanctions and your legal rights and obligations.

Statement Date	Invoice Number	Filer 499 ID	Balance Due USAC						
01/22/2014	UBDI0000670317	821408	(\$9,771.49)						
FORM 499Q DATA		PAYMENT INFORMATION							
This month's support mechanism charges were calculated using an FCC contribution factor of 0.164000 and the following revenue data: <table border="0"> <tr> <td colspan="2"><u>November 2013 499Q</u></td> </tr> <tr> <td>120b</td> <td>\$316,000.00</td> </tr> <tr> <td>120c</td> <td>\$4,532,000.00</td> </tr> </table> If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722		<u>November 2013 499Q</u>		120b	\$316,000.00	120c	\$4,532,000.00	All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150. Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653. All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting.	
<u>November 2013 499Q</u>									
120b	\$316,000.00								
120c	\$4,532,000.00								



Universal Service Administrative Company

Helping Keep Americans Connected

Filer 499 ID: 821408
Invoice Number: UBDI0000670317
Statement Date: 01/22/2014

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

LIRE Eligibility

If a carrier's quarterly interstate revenue equals less than 12.00% of their combined quarterly interstate and international revenue, the carrier is eligible for the Limited Interstate Revenue Exemption (LIRE). Based on your 499Q data, your interstate revenue equals 6.51 percent of your combined interstate and international revenue. Therefore, you are eligible for the LIRE exemption. As a result, your international revenue will not be used in determining your quarterly contribution base.

Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

Mathematical formula showing Quarterly Contribution Base calculation: Interstate Revenue (Line 120B) + International Revenue (Line 120C) = Quarterly Contribution Base

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

Two-step mathematical formula for Adjusted Quarterly Contribution: Quarterly Contribution Base * FCC Contribution Factor = Unadjusted Contribution; Unadjusted Contribution * (1 - (Unadjusted Contribution * FCC Circularity Factor)) = Adjusted Contribution

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

Mathematical formula for 499A contribution: 499A Contribution Base * FCC Estimated Annual Factor = Estimated 499A Contribution

499Q:

Mathematical formula for 499Q contribution: Adjusted Contribution * 4 = Estimated 499Q Contribution

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

Final mathematical formula for Total Monthly Contribution: 1/3 * Adjusted Quarterly Contribution = Total Monthly Contribution



Filer 499 ID: 821408
 Invoice Number: UBDI0000670317
 Statement Date: 01/22/2014

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

Payments & Credits Applied

Description - Debt Due Date	Principal	Payment/ Credit Date	Interest Rate	Days Late	Additional Interest (B*(D/365)*E)	Accrued Interest	Total Interest (F+G)	Payment & Credits Applied	Interest Outstanding	Principal Outstanding
A	B	C	D	E	F	G	H	I	J	K
UBDI0000670317 - 2/14/2014	\$14,791.28	1/15/14	0.00%	0	\$0.00	\$0.00	\$0.00	(\$14,791.28)	\$0.00	\$0.00
Outstanding Items										
UBDI0000658319 - 11/15/2013	(\$2,133.43)		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	(\$2,133.43)
UBDI0000664312 - 12/13/2013	(\$7,638.06)		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	(\$7,638.06)
					\$0.00			(\$14,791.28)	\$0.00	(\$9,771.49)
								Principal Outstanding		(\$9,771.49)
								Interest & Penalties		\$0.00
								Total Amount Due		(\$9,771.49)



Universal Service Administrative Company

Helping Keep America Connected

Filer 499 ID: 821408

Invoice Number: UBDI0000676305

Statement Date: 02/21/2014

New Balance: \$ 5,019.79

Payment Due Date: 03/14/2014

Amount Enclosed:

VIP Communications, Inc.
Attention: Cynthia Reyes
P.O. Box 1517,
Sterling, VA, 20167

Mail Payment To:

Universal Service Administrative Company
PO Box 105056
Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

If paying for multiple Filer 499 IDs, please check here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
	Previous Balance		(\$9,771.49)
02/14/2014	Support Mechanism Charges	\$14,791.28	
TOTAL OUTSTANDING USAC BALANCE AS OF 2/14/2014		\$5,019.79	

Transactions occurring after 02/14/2014 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this Invoice for important information about those sanctions and your legal rights and obligations.

Statement Date	Invoice Number	Filer 499 ID	Balance Due USAC
02/21/2014	UBDI0000676305	821408	\$ 5,019.79
FORM 499Q DATA		PAYMENT INFORMATION	
This month's support mechanism charges were calculated using an FCC contribution factor of 0.164000 and the following revenue data: November 2013 499Q 120b \$316,000.00 120c \$4,532,000.00 If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722		All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150. Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653. All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting.	

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

LIRE Eligibility

If a carrier's quarterly interstate revenue equals less than 12.00% of their combined quarterly interstate and international revenue, the carrier is eligible for the Limited Interstate Revenue Exemption (LIRE). Based on your 499Q data, your interstate revenue equals 6.51 percent of your combined interstate and international revenue. Therefore, you are eligible for the LIRE exemption. As a result, your international revenue will not be used in determining your quarterly contribution base.

Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\$ 316,000.00}{\text{Interstate Revenue (Line 120B)}} + \frac{\$ 0.00}{\text{International Revenue (Line 120C)}} = \frac{\$ 316,000.00}{\text{Quarterly Contribution Base}}$$

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\frac{\$ 316,000.00}{\text{Quarterly Contribution Base}} * \frac{0.164000}{\text{FCC Contribution Factor}} = \frac{\$ 51,824.00}{\text{Unadjusted Contribution}}$$

$$\frac{\$ 51,824.00}{\text{Unadjusted Contribution}} - \left(\frac{\$ 51,824.00}{\text{Unadjusted Contribution}} * \frac{0.143759}{\text{FCC Circularity Factor}} \right) = \frac{\$ 44,373.83}{\text{Adjusted Contribution}}$$

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

$$\frac{\$ 78,203.00}{\text{499A Contribution Base}} * \frac{0.162000}{\text{FCC Estimated Annual Factor}} = \frac{\$ 12,668.89}{\text{Estimated 499A Contribution}}$$

499Q:

$$\frac{\$ 44,373.83}{\text{Adjusted Contribution}} * 4 = \frac{\$ 177,495.33}{\text{Estimated 499Q Contribution}}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1/3}{\text{Adjusted Quarterly Contribution}} * \frac{\$ 44,373.83}{\text{Adjusted Quarterly Contribution}} = \frac{\$ 14,791.28}{\text{Total Monthly Contribution}}$$



Filer 499 ID: 821408
 Invoice Number: UBDI0000676305
 Statement Date: 02/21/2014

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

Payments & Credits Applied

Description - Debt Duc Date	Principal	Payment/ Credit Date	Interest Rate	Days Late	Additional Interest (B* (D/365)*E)	Accrued Interest	Total Interest (F+G)	Payment & Credits Applied	Interest Outstanding	Principal Outstanding
A	B	C	D	E	F	G	H	I	J	K
UBDI0000676305 - 3/14/2014	\$14,791.28	2/14/14	0.00%	0	\$0.00	\$0.00	\$0.00	(\$9,771.49)	\$0.00	\$5,019.79
Outstanding Items										
UBDI0000676305 - 3/14/2014	\$5,019.79		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$5,019.79
					\$0.00			(\$9,771.49)	\$0.00	\$5,019.79
								Principal Outstanding		\$5,019.79
								Interest & Penalties		\$0.00
								Total Amount Due		\$5,019.79



Universal Service Administrative Company

Helping Keep Americans Connected

Filer 499 ID: 821408

Invoice Number: UBD10000682307

Statement Date: 03/21/2014

New Balance: \$ 19,811.07

Payment Due Date: 04/15/2014

Amount Enclosed:

VIP Communications, Inc.
Attention: Cynthia Reyes
P.O. Box 1517,
Sterling, VA, 20167

Mail Payment To:

Universal Service Administrative Company
PO Box 105056
Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

If paying for multiple Filer 499 IDs, please check here and complete form on back.

Scan top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
	Previous Balance	\$5,019.79	
03/14/2014	Support Mechanism Charges	\$14,791.28	
TOTAL OUTSTANDING USAC BALANCE AS OF 3/14/2014		\$19,811.07	

Transactions occurring after 03/14/2014 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. Read the reverse of this invoice for important information about those sanctions and your legal rights and obligations.

Statement Date	Invoice Number	Filer 499 ID	Balance Due USAC
03/21/2014	UBD10000682307	821408	\$ 19,811.07
FORM 499Q DATA		PAYMENT INFORMATION	
This month's support mechanism charges were calculated using an FCC contribution factor of 0.164000 and the following revenue data:		All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150.	
November 2013 499Q		Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653.	
120b	\$316,000.00	All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653.	
120c	\$4,532,000.00	Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting.	
If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722			

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

LIRE Eligibility

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Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\$ 316,000.00}{\text{Interstate Revenue (Line 120B)}} + \frac{\$ 0.00}{\text{International Revenue (Line 120C)}} = \frac{\$ 316,000.00}{\text{Quarterly Contribution Base}}$$

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\frac{\$ 316,000.00}{\text{Quarterly Contribution Base}} \times \frac{0.164000}{\text{FCC Contribution Factor}} = \frac{\$ 51,824.00}{\text{Unadjusted Contribution}}$$

$$\frac{\$ 51,824.00}{\text{Unadjusted Contribution}} - \left(\frac{\$ 51,824.00}{\text{Unadjusted Contribution}} \times \frac{0.143759}{\text{FCC Circularity Factor}} \right) = \frac{\$ 44,373.83}{\text{Adjusted Contribution}}$$

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

$$\frac{\$ 78,203.00}{\text{499A Contribution Base}} \times \frac{0.162000}{\text{FCC Estimated Annual Factor}} = \frac{\$ 12,668.89}{\text{Estimated 499A Contribution}}$$

499Q:

$$\frac{\$ 44,373.83}{\text{Adjusted Contribution}} \times 4 = \frac{\$ 177,495.33}{\text{Estimated 499Q Contribution}}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1}{3} \times \frac{\$ 44,373.83}{\text{Adjusted Quarterly Contribution}} = \frac{\$ 14,791.28}{\text{Total Monthly Contribution}}$$



Filer 499 ID: 821408
 Invoice Number: UBDI0000682307
 Statement Date: 03/21/2014

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

Description - Debt Due Date	Principal	Payment/Credit Date	Interest Rate	Days Late	Additional Interest (B* (D/365)*E)	Accrued Interest	Total Interest (F+G)	Payment & Credits Applied	Interest Outstanding	Principal Outstanding
A	B	C	D	E	F	G	H	I	J	K
Outstanding Items										
UBDI0000676305 - 3/14/2014	\$5,019.79		6.75%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$5,019.79
UBDI0000682307 - 4/15/2014	\$14,791.28		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$14,791.28
					\$0.00			\$0.00	\$0.00	\$19,811.07
									Principal Outstanding	\$19,811.07
									Interest & Penalties	\$0.00
									Total Amount Due	\$19,811.07

Exhibit B

Original November 2013 499-Q

Received & Inspected

SEP 29 2014

FCC Mail Room

FCC Form 499-Q Telecommunications Reporting Worksheet

Quarterly Filing for Universal Service Contributors

> Please read instructions before completing <

Approval by OMB
3060-0855

Block 1: Contributor Identification Information	101	Filer 499 ID	821408
102 Legal name of reporting entity	VIP Communications, Inc.		
103 Filer's IRS employer identification number	54-1832384		
104 Name telecommunications provider is doing business as	VIP Communications, Inc.		
105 Holding company <small>[All affiliated companies should show same name here.]</small>	Check if filer has no affiliates: <input type="checkbox"/> VIP (HOLDINGS) INC		
105.1 Holding company IRS employer identification number	26-2859576		
106 Filer's FCC Registration Number (FRN)	0005-0949-74		
107 Complete mailing address of reporting entity's corporate headquarters	P.O. Box 1517, Sterling VA 20167		

Block 2: Contact Information			
108 Person who completed this worksheet	First Cynthia	MI M	Last Reyes
109 Telephone number of this person	(703) - 708-1515 ext 207		
110 Fax number of this person	(703) - 708-1518		
111 Email of this person	cynthiar@joinvip.com		
112 Billing address and billing contact person: <small>[Bills for Universal Service contributions will be sent to this address.]</small>	Cynthia Reyes P.O. Box 1517 Sterling VA 20167 cynthiar@joinvip.com	703	708-1515 207 703 708-1518 USA

Block 3: Contributor Historical and Projected Revenue Information			
113 Indicate which quarterly filing this represents	Filing due	Historical revenues (lines 115-118) for	Projected revenues (lines 119-120) for
<input checked="" type="checkbox"/>	November 1, 2013	July 1 - September 30, 2013	January 1 - March 31, 2014
<input type="checkbox"/>	February 1, 2014	October 1 - December 31, 2013	April 1 - June 30, 2014
<input type="checkbox"/>	May 1, 2014	January 1 - March 31, 2014	July 1 - September 30, 2014
<input type="checkbox"/>	August 1, 2014	April 1 - June 30, 2014	October 1 - December 31, 2014

114 Check if using safe harbor to allocate interstate/intrastate revenues for each of the following (as applicable):
 Cellular & broadband PCS: Paging: Analog SMR: Interconnected VoIP:

Historical billed revenues with no allowance or deductions for uncollectibles. See Instructions.	Total Revenues (a)	Interstate Revenues (b)	International Revenues (c)
115 Telecommunications provided to other universal service contributors for resale as telecommunications or as or as interconnected VoIP.	\$0.00	\$0.00	\$0.00
116 End-user telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues	\$4,845,338.00	\$314,878.00	\$4,530,460.00
117 All other goods and services	\$3,765.00	Column (b) and (c) not requested	
118 Gross-billed revenues from all sources [sum of above]	\$4,849,103.00	for Lines 117 and 118	
119 Projected gross-billed end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues		\$316,000.00	\$4,532,000.00
120 Projected collected end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues		\$316,000.00	\$4,532,000.00

Block 4: CERTIFICATION: to be signed by an officer of the reporting entity

121 I certify that the revenue data contained herein are privileged and confidential and that public disclosure of such information would likely cause substantial harm to the competitive position of the company. I request nondisclosure of the revenue information contained herein pursuant to sections 0.459, 52.17, 54.711 and 64.604 of the Commission's Rules.

I certify that I am an officer of the above-named reporting entity, that I have examined the foregoing report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true, that said Worksheet is an accurate statement of the affairs of the above-named company for the quarter and that the projections of gross-billed and collected revenues represent a good-faith estimate based on company procedures and policies.

122 Signature			
123 Printed name of officer	First Graham	MI M	Last Milne
124 Position with reporting entity	President		
125 Email of officer (Required if available)	grahamm@joinvip.com		
126 Date	11/1/2013		
127 This filing is:	<input checked="" type="checkbox"/> Original filing <input type="checkbox"/> Revised filing [revisions due within 45 days of original filing deadline]		

Do not mail checks with this form. Send this form to: Form 499 Data Collection Agent c/o USAC 2000 L Street, N.W. Suite 200 Washington DC, 20036
 For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet Info: (888) 641-8722 or via e-mail: Form499@universalservice.org

Exhibit C

Revised November 2013 499-Q

Received & Inspected

SEP 29 2014

FCC Mail Room

FCC Form 499-Q Telecommunications Reporting Worksheet

Approval by OMB
3060-0855

Quarterly Filing for Universal Service Contributors > Please read instructions before completing <

Block 1: Contributor Identification Information		101 Filer 499 ID	821408	
102 Legal name of reporting entity	VIP Communications, Inc.			
103 Filer's IRS employer identification number	54-1832384			
104 Name telecommunications provider is doing business as	VIP Communications, Inc.			
105 Affiliated Filers Name/Holding Company Name [All affiliated companies should show same name here. In most cases, the Affiliated Filers Name will be the holding company name.]	Check if filer has no affiliates: <input type="checkbox"/> VIP (Holdings) INC			
105.1 Affiliated Filers Name/Holding Company Name IRS employer identification number	[Enter 9 digit number]	26-2859576		
106 Filer's FCC Registration Number (FRN)	[Enter 10 digit number]	0005-0949-74		
107 Complete mailing address of reporting entity's corporate headquarters 45189 Research Place Suite 100 Ashburn VA 20147				
Block 2: Contact Information				
108 Person who completed this worksheet	First	MI	Last	
109 Telephone number of this person	Lee Skidmore (703) 708-1515 ext 305			
110 Fax number of this person	(703) 708-1518			
111 Email of this person	lee@joinvip.com			
112 Billing address and billing contact person. [Bills for Universal Service contributions will be sent to this address.]	Lee Skidmore 45189 Research Place Suite 100 Ashburn, VA 20147			
Block 3: Contributor Historical and Projected Revenue Information				
113 Indicate which quarterly filing this represents	Filing due	Historical revenues (lines 115-118) for	Projected revenues (lines 119-120) for	
<input checked="" type="checkbox"/>	November 1, 2013	July 1 - September 30, 2013	January 1 - March 31, 2014	
<input type="checkbox"/>	February 1, 2014	October 1 - December 31, 2013	April 1 - June 30, 2014	
<input type="checkbox"/>	May 1, 2014	January 1 - March 31, 2014	July 1 - September 30, 2014	
<input type="checkbox"/>	August 1, 2014	April 1 - June 30, 2014	October 1 - December 31, 2014	
114 Check if using safe harbor to allocate interstate/intrastate revenues for each of the following (as applicable): Cellular & broadband PCS: <input type="checkbox"/> Paging: <input type="checkbox"/> Analog SMR: <input type="checkbox"/> Interconnected VoIP: <input type="checkbox"/>				
Historical billed revenues with no allowance or deductions for uncollectibles. See instructions.		Total Revenues (d)	Interstate Revenues (b)	International Revenues (c)
115 Telecommunications provided to other universal service contributors for resale as telecommunications or as interconnected VoIP		\$ 0.00	\$ 0.00	\$ 0.00
116 End-user telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues		\$ 4,845,338.00	\$ 20,458.00	\$ 4,824,880.00
117 All other goods and services		\$ 3765.00	Column (b) and (c) not requested for Lines 117 and 118	
118 Gross-billed revenues from all sources [sum of above]		\$ 4,849,103.00		
119 Projected gross-billed end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues			\$ 21,300	\$ 4,826,000
120 Projected collected end-user interstate and international telecommunications revenues including any pass-through charges for universal service contributions, but excluding international-to-international revenues			\$ 21,300	\$ 4,826,000
Block 4: CERTIFICATION: to be signed by an officer of the reporting entity				
121 I certify that the revenue data contained herein are privileged and confidential and that public disclosure of such information would likely cause substantial harm to the competitive position of the company. I request nondisclosure of the revenue information contained herein pursuant to sections 0.459, 52.17, 54.711 and 64.604 of the Commission's Rules.				
I certify that I am an officer of the above-named reporting entity, that I have examined the foregoing report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true, that said Worksheet is an accurate statement of the affairs of the above-named company for the quarter and that the projections of gross-billed and collected revenues represent a good-faith estimate based on company procedures and policies.				
122 Signature				
123 Printed name of officer	First	MI	Last	
124 Position with reporting entity	Graham Milne President			
125 Email of officer (Required if available)	graham@joinvip.com			
126 Date	8/15/2014			
127 This filing is:	<input type="checkbox"/> Original filing <input checked="" type="checkbox"/> Revised filing [revisions due within 45 days of original filing deadline]			
Do not mail checks with this form. Send this form to: Form 499 Data Collection Agent c/o USAC 2000 L Street, N.W. Suite 200 Washington DC 20036				
For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet Info: (888)641-8722 or via email: Form 499@universalservice.org				
PERSONS WILLFULLY MAKING FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001				
Save time, avoid problems - file electronically at http://forms.universalservice.org			FCC Form 499-Q January 2014	

Exhibit D

Rejection Letter from USAC



Universal Service Administrative Company

September 02, 2014

Attn: Lee Skidmore
VIP Communications, Inc.
45189 Research Pl
Ste 100
Ashburn, VA 20147

Form 499 Filer ID: 821408

RE: November 2013 FCC Form 499-Q Revision Rejection

Federal Communications Commission (FCC) regulations require carriers to file an FCC Form 499-A annually and an FCC Form 499-Q quarterly and require the Universal Service Administrative Company (USAC) to bill contributors based on reported revenues. See generally 47 C.F.R. Part 54. The November 2013 FCC Form 499-Q was due Friday, November 01, 2013, with revisions due by Monday, December 16, 2013 (45 days later). This 45 day form revision window is clearly noted in the instructions for the FCC Form 499 Q, is discussed in a document entitled "Helpful Hints" that was included with the form, and is posted on USAC's website www.universalservice.org. In addition, questions concerning forms and revisions can be addressed to USAC via email at Form499@universalservice.org.

Because USAC received the November 2013 FCC Form 499-Q submitted by the above-referenced Form 499 Filer ID 821408 VIP Communications, Inc. after the due date and outside of the 45-day revision window, the form was untimely and will not be processed.

If this submission was intended to revise revenue reported on a previously filed original Form 499-Q, please note USAC has relied upon the revenue previously projected by you for the purposes of calculating your universal service charges for January, February and March 2014. If you failed to timely file an original Form 499-Q, please note USAC has relied on revenue previously reported by you for the purpose of calculating your universal service charges for January, February and March 2014.

When a carrier fails to file an FCC Form 499 by the due date, in order to calculate universal service charges for the relevant period, FCC regulations require USAC to estimate that carrier's revenue based upon previously reported revenue information.

Please note that although you missed the revision window for submission of the Form 499-Q, the annual/quarterly (A/Q) true-up will provide a remedy. USAC's 2015 A/Q true-up will reconcile and revise contributor's account accordingly. The 2015 Form 499 A, reporting annual 2014 revenue, has a due date of April 1, 2015. Upon receipt of contributor's 2015 Form 499-A, USAC will perform the A/Q true-up and post appropriate credits or adjustments to your account.

If you wish to appeal this decision with USAC, your appeal must be postmarked no later than 60 days after the date of USAC's rejection letter. Appeals postmarked after 60 days from the date of this letter will be automatically dismissed.

In the event that you choose to appeal the decision, you should follow these guidelines:

- Write a "Letter of Appeal to USAC" explaining why you disagree with this Form 499-Q rejection letter and identify the outcome that you request.
- Be sure to refer to CC Docket No. 96-45 on all communication with the FCC.
- The appeal must identify the "Legal Reporting Name" and "Filer 499 ID".
- Provide necessary contact information. Please list the name, address, telephone number, fax number, and e-mail address (if available) of the person who can most readily discuss this appeal with USAC.
- Explain the appeal to the USAC. Please provide documentation to support your appeal.

- Attach a photocopy of this Revised Form 499-Q Rejection decision that you are appealing.
- Mail your letter to:
Letter of Appeal
USAC
2000 L Street, NW, Suite 200
Washington, DC 20036
- **Appeals submitted by fax, telephone call, and e-mail will not be processed.**

The response will indicate whether USAC:

- Agrees with your letter of appeal, and approves an outcome that is different from the Revised Form 499-Q Rejection Letter; or
- Disagrees with your letter of appeal, and the reasons therefore.

If you disagree with USAC's response to your "letter of appeal," you may file an appeal with the FCC within 60 days of the date USAC issued its decision in response to your "Letter of Appeal." Again, please note your appeal must be postmarked no later than 60 days after the date of the Appeal Decision. Appeals postmarked after 60 days from the date of USAC's response to your appeal will be automatically dismissed. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 - 54.725) are available on the FCC web site (www.fcc.gov).

Please be sure to refer to CC Docket No. 96-45 on all communication with the FCC. The appeal must also provide your company's name and Filer ID, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address of the person filing the appeal. Unless the appeal is by ECFS, please include a copy of the decision at issue.

Appeals submitted via the United States Postal Service, should be sent to the address below (For security purposes, hand-delivered or messenger-delivered documents will not be accepted at this Washington, DC address):

Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by hand-delivery or messenger should be sent to the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743
(8:00 A.M. - 5:30 P.M. ET)

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 A.M. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 A.M.

If you have questions or concerns regarding this letter, please contact USAC Customer Service at (888) 641-8722 Option 1, Option 2.

Sincerely,

USAC