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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
)
)
Request for Review by)
Alliance Group Services, Inc., of Decision)
of Universal Service Administrator)

Docket Nos. 96-45 and 97-21

To: The Commission

PETITION FOR REVIEW

ALLIANCE GROUP SERVICES, INC.

David G. Crocker
Lawrence M. Brenton

EARLY, LENNON, CROCKER &
BARTOSIEWICZ, P.L.C.
900 Comerica Building
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(616) 381-8844

Its Counsel

October 29, 2001

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SUMMARY

Alliance Group Services, Inc. ("Alliance Group") seeks review of a Decision of the Universal Service Administrator issued October 1, 2001. The Administrator has taken the following actions to which Alliance Group objects and petitions for review:

A. Refused to accept Alliance Group's year 2000 FCC form 499-A, thereby refusing to assess universal support mechanism charges to Alliance Group based on Alliance Group's actual 1999 end user revenues as required by law;

B. Accepted for filing U. S. Republic Communications, Inc.'s year 2000 FCC form 499 filings, whether filed timely or not, reporting U. S. Republic's 1999 end user revenue and, at U.S. Republic's request;

C. Transferred and reallocated to Alliance Group all universal support mechanism charges arising from U.S. Republic's 1999 end user revenues.

Alliance Group maintains that the above actions were mistaken, unlawful, arbitrary, unreasonable, done in violation of Alliance Group's rights to due process and were entirely outside the authority delegated to the Administrator's staff or Board.

Through oversight, Alliance Group did not file its own year 2000 FCC form 499-A, reporting its 1999 end user revenues by April 1, 2000. It attempted to make such a filing in April 2001. This filing was rejected by the Administrator for the stated reason that it had been submitted more than one year after the date of the original filing. As there had not been an original filing, Alliance Group submitted a Letter of Appeal and a 499-A form identified as an original filing. This 499-A has now been rejected on the basis that the Administrator can refuse to accept a revised filing more than one year after the original filing or more than one year after the date when the original filing was due.

The Administrator does not have the authority to choose to reject an original 499-A filing. It can cause an audit or investigate the filing if it does not believe or agree with the numbers reported but it does not have the unbridled authority to reject filings as it has done in this case, to choose to accept a 499-A filing submitted by a different carrier, and decide to allocate all the resulting universal service support mechanism charges to Alliance Group. The Administrator assessed charges based on its interpretation of the terms of an asset purchase agreement between U. S. Republic and Alliance Group. The Administrator does not have the authority to interpret and construe purchase agreements, without factual investigation, at the staff level, in secrecy, and without notice or an opportunity to be heard.

The rejected 499-A filing by Alliance Group reported Alliance Group's revenues for 1999 in the amount of \$427,463.00. The resulting universal service support mechanism charges are owed in any case. However, the Administrator prefers to accept the 499-A form filed by U. S. Republic disclosing U. S. Republic's 1999 revenues of more than \$13,000,000.00 which, taken together with the Administrator's construction of the contract between the parties, results in charges of \$763,717.56 to Alliance Group. The reallocation of charges from U. S. Republic to Alliance Group occurred in secrecy, sometime in June or July of the year 2000, through means unknown to Alliance Group. After some type of communication with sources other than Alliance Group and review of the purchase agreement, the Administrator issued a series of new and confusing charges and credits to Alliance Group which initially, in September of 2000, made it appear that Alliance Group owed virtually nothing. Through additional accelerated charges over the last three months of the year 2000 and later revocation of credits, the amount charged to Alliance Group over the last four months of the year 2000 became \$763,717.56. Alliance Group protests these actions, asks that its year 2000 499-A be accepted for filing and that the charges wrongly allocated to it by the Administrator and related late charges be reversed.

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To: The Commission

PETITION FOR REVIEW

Alliance Group Services, Inc. ("Alliance Group"), by its counsel, hereby requests that the Commission review *de novo* the attached Decision (Exhibit D) of the Universal Service Administrative Company ("USAC") pursuant to 47 C.F.R. § 54.719 and 47 C.F.R. §54.723.

I.

INTRODUCTION

Alliance Group seeks review of the Decision of the Administrator, USAC, which a) rejects and refuses to accept for filing Alliance Group's year 2000 FCC Form 499-A; b) adopts, by means of construction and interpretation of a Purchase and Sale Agreement U. S. Republic's ex-parte request or instruction to charge all universal service support mechanism charges based on U. S. Republic's 1999 revenues to Alliance Group; and c) imposes a completely unexplained and erroneous series of universal service support mechanism charges upon Alliance Group by means of late, confusing and conflicting invoices, temporary credits and other as yet unaccounted for and unexplainable adjustments and account transactions.

II.

SUMMARY OF FACTS AND ARGUMENT

Alliance Group Services, Inc. ("Alliance Group") is a telecommunications carrier providing interexchange services in numerous states. Because it conducted operations in 1999 generating interstate end user telecommunications revenues, it should have filed a year 2000 FCC Form 499-A in April of 2000. Due to clerical error, Alliance Group filed its first 499 Form (FCC Form 499-S) in September of 2000. It attempted to file its 2000 FCC Form 499-A on April 13, 2001. This Form was identified at line 609 as a "Revised filing". A copy of this Form 499-A is attached as Exhibit A.

By letter dated June 7, 2001, the Universal Service Administrative Company (the "Administrator") rejected the Form 499-A, stating in relevant part that "We are unable to accept the revision because it was not filed within one year of the original submission". The June 7, 2001 letter from the Administrator is attached as Exhibit B.

On July 2, 2001, Alliance Group submitted its Letter of Appeal to the Administrator. A copy of the letter of appeal with attachments is attached as Exhibit C. In its Letter of Appeal, Alliance Group submitted that its 2000 Form 499-A report should be accepted for filing notwithstanding the fact that it was late filed. As Alliance Group had not initially filed a 2000 Form 499-A, the Letter of Appeal also included an additional, original 2000 Form 499-A identified "Original filing" and containing the same information as the previously rejected filing.

The Letter of Appeal also spoke to the fact that the Administrator was, evidently, using its arbitrary rejection of Alliance Group's 2000 Form 499-A as the pretext for mistakenly and unjustifiably invoicing Alliance Group for grossly overstated universal service support mechanism charges. As discussed below, these charges were calculated and reallocated to Alliance Group by a process never explained by the Administrator. They obviously derive from reported 1999 revenues

associated with U. S. Republic Communications, Inc. ("U. S. Republic"), a Texas Corporation wholly owned by Vartec Telecom Holding Company, a Delaware Corporation.

In response to the Letter of Appeal, the Administrator on October 1, 2001 issued its "Administrator's Decision on Contributor Appeal", attached as Exhibit D. On the question of its willingness to accept for filing any Alliance Group 2000 FCC Form 499-A, the Administrator now invoked the apparently unwritten rule that a filing will not be accepted if submitted more than one year after the date of the initial filing or the date when the initial filing was due. This decision, apparently unsupported by any authority beyond the Administrator's own arbitrary preferences, would forever preclude Alliance Group or other contributors from filing a 499-A report of 1999 interstate end user telecommunications revenues after April 1, 2000, whether an initial filing was made or not. (Such a rule, if it existed, would prevent a contributor from ever filing a revision reporting increased 1999 end user revenues or newly reporting revenues. It seems extremely doubtful that the Administrator would, in fact, be compelled by rule to refuse to accept any such late filing. If there were in fact such a rule, no contributor would even be able to supplement its previous filing with increased numbers and pay the resulting additional contributions).

The Administrator has exceeded its authority by arbitrarily rejecting Alliance Group's year 2000 499-A, by electing to adopt U. S. Republic's 2000 499-A and by adopting or applying unadopted rules to interpret and construe a purchase and sale Agreement between private parties. The Administrator is not authorized to engage in rule making or interpretation of the type done here. 47 C.F.R. §54.702(C).

In the Decision (Exhibit D), the Administrator states that, in fact, Universal Service Support Mechanism charges to Alliance Group in year 2000 were "based on U. S. Republic's FCC Form 499-A submitted in September 2000". The Administrator has declined to provide Alliance Group with

a copy of U. S. Republic's September 2000 Form 499-A or other information. Obviously if filed in September of 2000, the 499 report the Administrator chose to accept was filed well past the due date. Nevertheless, the Administrator has mistakenly chosen to adopt U. S. Republic's report and transfer all resulting charges to Alliance Group.

Alliance Group acquired some but not all assets of U. S. Republic under a Purchase and Sale Agreement dated December 23, 1999 (Exhibit E). As Alliance Group pointed out in its Letter of Appeal dated July 2, 2001, U. S. Republic continued in existence until at least March 22, 2001. (Exhibit F). On information and belief, U. S. Republic continued in operation after completion of its transaction with Alliance Group at least throughout calendar year 2000 and continued to serve a portion of the customer base that had generated 1999 revenues. The Administrator billed U. S. Republic on a monthly basis for Universal Service Support Mechanism charges until June of 2000 and was paid in whole or in part. (Exhibit H). As shown by the June invoice to U. S. Republic, these charges from the Administrator were paid by U. S. Republic until June. The Administrator has declined to furnish any of this information to Alliance Group, taking the position that all the account information of U. S. Republic is confidential.

In August of 2000, U. S. Republic sent Alliance Group invoices and a demand that it be reimbursed for some payment. (Exhibit G). Through means unknown to Alliance Group, U. S. Republic apparently also persuaded staff at the Administrator to issue credits for all year 2000 invoices to the U. S. Republic account and to charge Alliance Group, over the last four months of calendar year 2000, over \$763,717.56 in universal service support mechanism charges, late charges and other charges. (Exhibit H).

This reallocation of charges from U. S. Republic to Alliance Group occurred virtually without the participation of Alliance Group and, it appears, by means of ex-parte communications by U. S.

Republic to the Administrator. Lori Terraciano of USAC has stated to counsel for the Alliance Group that she reviewed the Purchase and Sale Agreement of December 23, 1999, that it was her interpretation of the Purchase and Sale Agreement that invoices issued in calendar year 2000 were to be paid by Alliance Group and that if the terms of the Purchase and Sale Agreement had been drafted differently, she might have reached the opposite conclusion. (Exhibit J). When asked by what authority staff was reviewing the Purchase and Sale Agreement and making such determinations in virtual secrecy, staff furnished Alliance Group's counsel with a copy of a staff proposal which it represented had been circulated and approved at a meeting of the Board of Directors of the Administrator in January 2000. A copy of this staff paper and the minutes of the relevant Board meeting are attached as Exhibit I. Whether the staff proposal was, in fact, identical to one circulated at the Administrator's Board meeting is doubtful and whether the Board has the authority to adopt such general rules is extremely doubtful. As described in the Declaration of Alliance Group's counsel filed herewith (Exhibit J), the actual minutes of the Board meeting do not specifically incorporate staff's recommended guidelines.

This decision was implemented by the Administrator issuing an extremely confusing series of credits and charges starting in July of 2000. It appeared from the combination of credits and charges in September that Alliance Group's liability was virtually zero but by loading in accelerated charges over the last four months of the year 2000 and by taking away credits, the net result was the imposition of \$763,717.56 in charges to Alliance Group, together with substantial late payment penalties.

The Board does not have authority to adopt such rules and policies. It does not appear that the Board itself actually participated in any part of this process and instead, staff has undertaken to take all of the described actions. Certainly, staff does not have authority to secretly construe agreements

and adjust accounts. If either staff or the Board had authority to take these actions, neither would be entitled to do so in secrecy.

The Purchase and Sale Agreement of December 23, 1999 in fact does not provide that invoices during calendar year 2000 based on U. S. Republic's 1999 revenues were to be paid by Alliance Group. (In its letter, Exhibit G, U. S. Republic's parent asserted to Alliance Group that the December 1999 invoice and all subsequent invoices which it had been receiving for a number of months were payable by Alliance Group). In fact, the December, 1999 invoice to U. S. Republic was based on U. S. Republic's year 1999 499-A filed the previous April. USAC invoices during the first half of calendar year 2000 were based on U. S. Republic's 499-S presumably filed in September of 1999 and reporting U. S. Republic revenues for the first six months of 1999. USAC invoices to U. S. Republic for all of calendar year 2000 would have been based on U. S. Republic's year 2000 499-A, reporting revenues for calendar year 1999.

Alliance Group did not, in fact, generate or receive any interstate or international end user telecommunications revenues in respect of any part of the U. S. Republic customer base in 1999. U. S. Republic should have (and probably did) file its 499-A in April of 2000, completing its report of its end user revenues in 1999, which then generated USAC invoice billings during calendar year 2000 to U. S. Republic.

If, as claimed by U. S. Republic in Exhibit G, Alliance Group was to pay USAC invoices received by U. S. Republic in December 1999 and thereafter, the Purchase and Sale Agreement could have plainly said so. Had Alliance Group generated end user revenues in 1999 in respect of U. S. Republic customers, which it did not, Alliance Group might have been obligated to pay a fraction of U. S. Republic's USAC invoices in calendar year 2000. Alliance Group did not generate any end user revenues from the former U. S. Republic customer base until calendar year 2000 which it duly

reported on its 499-S in September of 2000 and which, under the practice at that time, resulted in USAC invoices in the first half of calendar year 2001. (The procedure has now changed so that the September 2000 499-S resulted in USAC invoices during the first quarter of 2001. The 2001 499-A resulted in invoices during the second quarter of 2001 and subsequent quarterly 499 reports result in monthly USAC invoices for quarterly periods).

III.

CONCLUSION

On de novo review, Petitioner requests that the Commission direct the Administrator to accept Alliance Group's year 2000 499-A for filing. Petitioner requests that the Administrator be directed to reverse and credit the charges including late charges and penalties assessed against Alliance Group based on U. S. Republic's 2000 499-A filing or other filings and the Administrator's interpretation of the purchase and sale agreement between U. S. Republic and Alliance Group.

Respectfully submitted,

ALLIANCE GROUP SERVICES, INC.

By:  _____

David G. Crocker

Lawrence M. Brenton

EARLY, LENNON,
CROCKER & BARTOSIEWICZ, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007
(616) 381-8844

Its Counsel

October 29, 2001

CERTIFICATE OF SERVICE

I, Teresa J. Rayman, hereby certify that the foregoing "Petition for Review" was served this 29th day of October, 2001, by depositing a true copy thereof with the United States Postal Service, first class postage prepaid, addressed to:

D. Scott Barash, Esq.
Vice President & General Counsel
Universal Service Administrative Company
Suite 600
2120 L Street, NW
Washington, D.C. 20037



Teresa J. Rayman

LIST OF EXHIBITS

- Exhibit A - Alliance Group's 2000 FCC Form 499-A
- Exhibit B - Administrator's Letter - June 7, 2001
- Exhibit C - Alliance Group's Letter of Appeal - July 2, 2001
- Exhibit D - Administrator's Decision on Contributor Appeal - October 1, 2001
- Exhibit E - Purchase and Sale Agreement - December 23, 1999
- Exhibit F - U. S. Republic Corporate Records
- Exhibit G - VarTec Letter of August 28, 2001 with enclosures
- Exhibit H - USAC Invoices
- Exhibit I - USAC staff recommendations/Board action - January 25, 2000
- Exhibit J - Declaration of Lawrence M. Brenton
- Exhibit K - Declaration of Michael W. Mallon

Exhibit A

EXHIBIT A

Alliance Group's 2000 FCC Form 499-A

2000 FCC Form 499A Telecommunications Reporting Worksheet

Approval by OMB
3060-0855

>>> Please read instructions before completing. <<<

Annual Filing - due April 1.

Block 1: Contributor Identification Information

101 Filer 499 ID [If you don't know your number, contact the administrator at (973)-560-4400. If you are a new filer, leave blank and a Filer 499 ID will be assigned to you.]		820411
102 Legal name of reporting entity		Alliance Group Services, Inc.
103 IRS employer identification number		06-1502829
104 Name telecommunications service provider is doing business as		Alliance Group Services, Inc.
105 Principal communications business [Check the one that best describes the reporting entity -- see directions. Check one box only.]		
<input type="checkbox"/> CAP/CLEC	<input type="checkbox"/> Cellular/PCS/SMR (wireless telephony incl. by resale)	<input type="checkbox"/> Incumbent LEC
<input type="checkbox"/> Local Reseller	<input type="checkbox"/> Operator Service Provider (OSP)	<input type="checkbox"/> Paging & Messaging
<input type="checkbox"/> Pre-paid Card	<input type="checkbox"/> Private Service Provider	<input type="checkbox"/> Satellite
<input type="checkbox"/> Shared Tenant Service Provider	<input type="checkbox"/> SMR (dispatch)	<input checked="" type="checkbox"/> Toll Reseller
<input type="checkbox"/> Interexchange Carrier (IXC)		<input type="checkbox"/> Payphone Service Provider
<input type="checkbox"/> Wireless Data		<input type="checkbox"/> Other Toll
If Other Local, Other Mobile or Other Toll is checked, describe carrier type / services provided:		
<input type="checkbox"/> Other Local		<input type="checkbox"/> Other Mobile
106 Holding company (All affiliated companies should show same name here)		Alliance Group Services LLC
107 FCC Registration Number (FRN) [not required for April 2000 filing]		
108 Management company [if carrier is managed by another entity]		
109 Complete mailing address of reporting entity corporate headquarters		Alliance Group Services, Inc. 1221 Post Rd Westport CT 06880
110 Complete business address for customer inquiries and complaints [if different from address entered on Line 109]		
111 Telephone number for customer inquiries and complaints		(203) - 845-9600
112 All trade names that you use in providing telecommunications services. This should include all names by which you are identified on customer bills.		
a	Alliance Platinum	g
b	USRC	h
c	Telquest Advantage Plus	i
d	Alliance Group Services, Inc.	j
e		k
f		l
		m

Use an additional sheet if necessary. Each reporting entity must provide all names used for carrier activities.

PERSONS MAKING WILLFUL 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

2000 FCC Form 499A Telecommunications Reporting Worksheet

Block 2-A: Personal Contact Information	
201 Filer 499 ID [from Line 101]	820411
202 Legal name of reporting entity [from Line 102]	Alliance Group Services, Inc.
203 Person who completed this worksheet	Patrick D. Crocker, Attorney
204 Telephone number of this person	(616) - 381-8844
205 Fax number of this person	(616) - 349-8525
206 E-mail of this person	telecomgroup@earlylennon.com
207 Corporate office, attn. name, and mailing address to which future Telecommunications Reporting Worksheets should be sent	Patrick D. Crocker, Attorney 900 Comerica Bldg Kalamazoo MI 49007
208 Billing address and billing contact person: [Plan administrators will send bills for contributions to this address. Please attach a written request for alternative billing arrangements.]	Patrick D. Crocker, Attorney 900 Comerica Bldg Kalamazoo MI 49007

Block 2-B: Agent for Service of Process	
All carriers must complete Lines 209 through 213	
209 D.C. Agent for Service of Process per 47 U.S.C 413	Corporation Guarantee & Trust Company
210 Telephone number of D.C. agent	(202) - 296-2222
211 Fax number of D.C. agent	(301) - 229-2783
212 E-mail of D.C. agent	
213 Complete business address of D.C. agent for hand service of documents	1155 15th St NW Ste 502 Washington DC 20005
214 Alternate Agent for Service of Process (optional)	Patrick D. Crocker, Attorney
215 Telephone number of alternate agent	(616) - 381-8844
216 Fax number of alternate agent	(616) - 349-8525
217 E-mail of alternate agent	telecomgroup@earlylennon.com
218 Complete business address of alternate agent for hand service of documents	900 Comerica Bldg Kalamazoo MI 49007

PERSONS MAKING WILLFUL 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

2000 FCC Form 499A Telecommunications Reporting Worksheet

Block 3: Carrier's Carrier Revenue Information

301 Filer 499 ID [from Line 101] 820411

302 Legal name of reporting entity [from Line 102] Alliance Group Services, Inc.

Report Billed Revenue for January 1 through December 31, 1999
Do not report any negative numbers. Dollar amounts may be rounded to the nearest thousand dollars. However, report all amounts as whole dollars.

See instructions regarding percent interstate & international.

Revenue from Service Provided for Resale by Other Contributors to Federal Universal Service Support Mechanisms

Fixed local service

303 Monthly service, local calling, connection charges, vertical features, and other local exchange service including subscriber line and PICC charges to IXCs

a Provided as unbundled network elements 0

b Provided under other arrangements 0

304 Per minute charges for originating or terminating calls

a Provided under state or federal access tariff 0

b Provided as unbundled network elements or other contract arrangement 0

305 Local private line & special access 0

306 Payphone compensation from toll carriers 0

307 Other local telecommunications service revenues 0

308 Universal service support revenue received from Federal or State Sources 0

Mobile service (including wireless telephony, paging & messaging, and other mobile services)

309 Monthly, activation, and message charges except toll 0

Toll service

310 Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) 0

311 Ordinary Long Distance (MTS, customer toll free 800/888 service, associated monthly account maintenance, PICC pass-through, and switched services not reported above) 3,555,715

312 Long distance private line services 0

313 Satellite services 0

314 All other long distance services 0

Total Revenue

(a)

If breakouts are not book amounts, enter whole percentage estimates

Interstate (b)

International (c)

Breakouts

Interstate Revenue (d)

International Revenue (e)

PERSONS MAKING WILLFUL 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

2000 FCC Form 499A Telecommunications Reporting Worksheet

Block A End User and Non-Telecommunications Revenue Information

401	Filer 499 ID [from Line 101]	820411			
402	Legal name of reporting entity [from Line 102]	Alliance Group Services, Inc.			
Report Billed Revenue for January 1 through December 31, 1999 Do not report any negative numbers. Dollar amounts may be rounded to the nearest thousand dollars. However, report all amounts as whole dollars. See instructions regarding percent interstate & international.		Total Revenue	If breakouts are not book amounts, enter whole percentage estimates		Breakouts
			interstate	international	Interstate Revenue
		(a)	(b)	(c)	(d)
					International Revenue
					(e)
Revenue From All Other Sources (end-user telcom. & non-telcom.)					
403	Surcharges or other amounts on bills identified as recovering State or Federal universal service contributions	0			
<i>Fixed local service</i>					
404	Monthly service, local calling, connection charges, vertical features, and other local exchange service charges except for federally tariffed subscriber line charges and PICC charges	0			
405	Tariffed subscriber line charges and PICC charges levied by a local exchange carrier on a no-PIC customer	0			
406	Local private line and special access service	0			
407	Payphone coin revenues	0			
408	Other local telecommunications service revenues	0			
<i>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</i>					
409	Monthly and activation charges	0			
410	Message charges including roaming but excluding toll charges	0			
<i>Toll service</i>					
411	Pre-paid calling card (including card sales to customers and non-carrier distributors) reported at face value of cards	0			
412	International calls that both originate and terminate in foreign points	0	0%	100%	
413	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenue reported on Line 412	0			
414	Ordinary Long Distance (MTS, customer toll free 800/888 service, associated monthly account maintenance, PICC pass-through, and other switched services not reported above)	989,268			352,081
415	Long distance private line services	0			75,382
416	Satellite services	0			
417	All other long distance services	0			
418	Enhanced services, inside wiring maintenance, billing and collection, customer premises equipment, published directory, dark fiber, Internet and non-telecommunications service revenue	0			
419	Gross billed revenue from all sources [incl. reseller & non-telcom.] [Lines 303 through 314 plus Lines 403 through 418]	4,544,983			1,283,678
420	Universal service contribution bases [Lines 403 through 411 & Lines 413 through 417]	989,268			1,401,664
					352,081
					75,382

PERSONS MAKING WILLFUL 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

2000 FCC Form 499A Telecommunications Reporting Worksheet

Block 5: Additional Revenue Breakouts

501 Filer 499 ID [from Line 101]	820411
502 Legal name of reporting entity [from Line 102]	Alliance Group Services, Inc.

Most filers must contribute to LNP administration and must provide the percentages requested in Lines 503 through 510. Filing entities that use Line 603 to certify that they are exempt from this requirement need not provide this information.

Percentage of revenue reported in Block 3 and Block 4 billed in each region of the country. Round or estimate to nearest whole percentage. Enter 0 if no service was provided in the region.

		Block 3 Carrier's Carrier (a)	Block 4 End-User Telecom. (b)
503 Southeast:	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and U.S. Virgin Islands	%	24 %
504 Western:	Alaska, Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	%	14 %
505 West Coast:	California, Hawaii, Nevada, American Samoa, Guam, Northern Mariana Islands, and Wake Island.	%	22 %
506 Mid-Atlantic:	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia	%	11 %
507 Mid-West:	Illinois, Indiana, Michigan, Ohio, Wisconsin	%	14 %
508 Northeast:	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	%	5 %
509 Southwest:	Arkansas, Kansas, Missouri, Oklahoma, & Texas	%	10 %
510 Total	[Percentages must add to 0 or 100]	%	100 %

511 Revenues from resellers that do not contribute to Universal Service support mechanisms are included in Block 4, Line 420 but may be excluded from a filer's TRS, NANPA and LNP contribution bases. To have these amounts excluded, the filer has the option of identifying such revenues below.

	(a)	(b)
	Total Revenue	Interstate and International
Revenues from resellers that do not contribute to Universal Service	\$	\$

PERSONS MAKING WILLFUL 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

Block 6: CERTIFICATION: to signed by an officer of the filer

601 Filer 499 ID [from Line 101]	820411
602 Legal name of reporting entity [from Line 102]	Alliance Group Services, Inc.

Section IV of the instructions provides information on which types of reporting entities are required to file for which purposes. Any entity claiming to be exempt from one or more contribution requirements should so certify below and attach an explanation. [The Universal Service administrator will determine which entities meet the de minimis threshold based on information provided in Block 4, even if you fail to so certify, below.]

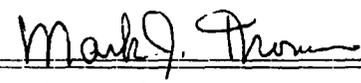
603 I certify that the reporting entity is exempt from contributing to: Universal Service TRS NANPA LNP Administration

Provide explanation below:

Empty lines for providing explanation below.

604 I certify that the revenue data contained herein is 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 and that said Worksheet is an accurate statement of the affairs of the above-named company for the previous calendar year.

605 Signature	
606 Printed name of officer	Mark J. Thomas
607 Position with reporting entity	President
608 Date	4/11/01
609 This filing is:	<input type="checkbox"/> Original filing <input checked="" type="checkbox"/> Revised filing

Do not mail checks with this form. Send this form to: Form 499 c/o NECA, 80 South Jefferson Road, Whippany New Jersey, 07981 For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet Information: (973) 560-4400 or via e-mail: Form499@neca.org

PERSONS MAKING WILLFUL 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

EXHIBIT B

Administrator's Letter – June 7, 2001



Universal Service Administrative Company

June 7, 2001

Alliance Group Services, Inc.
900 Comerica Building
Kalamazoo, MI 49007

Filer 499 ID: 820411

Attn: Patrick D. Crocker

RE: Form 499-A Revision Rejection

The Universal Service Administrative Company (USAC) has completed a review of the Revised FCC Form 499-A that you submitted for the purpose of revising revenue reported by Alliance Group Services, Inc. for the period January 1 – December 31, 1999. Based on the information provided, we are unable to accept the revision because it was not filed within one year of the original submission.

USAC recognizes that you may disagree with our decision. **If you wish to file an appeal, your appeal must be received no later than 30 days after the date of this letter.**

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 Revised Form 499-A Rejection letter and identify the outcome that you request;
- Mail your letter to:
Letter of Appeal
USAC
2120 L Street, NW, Suite 600
Washington, DC 20037
- Appeals submitted by fax, telephone call, and e-mail **will not** be processed.
- 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.
- Identify the "Legal Reporting Name" and "Filer 499 ID."
- Explain the appeal to the USAC. Please provide documentation to support your appeal.

- **Attach a photocopy of this Revised Form 499-A Rejection decision that you are appealing.**

USAC will review all “letters of appeal” and respond in writing within 90 days of receipt thereof.

The response will indicate whether USAC:

- (1) agrees with your letter of appeal, and approves an outcome that is different from the Revised Form 499-A Rejection Letter; or
- (2) disagrees with your letter of appeal, and the reasons therefor.

If you disagree with the USAC response to your “letter of appeal,” you may file an appeal with the FCC within 30 days of the date USAC issued its decision in response to your “Letter of Appeal.” The FCC address where you may direct your appeal is:

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

Please be sure to indicate the following information on all communications with the FCC:
“Docket Nos. 96-45 and 97-21.”

In the alternative, you may write and send an appeal letter directly to the Federal Communications Commission (FCC), and bypass USAC. Your letter of appeal to the FCC must explain why you disagree with the USAC decision. You are also encouraged to submit any documentation that supports your appeal. 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).

If you have questions or concerns regarding this letter, please contact Lisa Harter at (973) 884-8116 or Lori Terraciano at (973) 560-4426.

Sincerely,

USAC