

Lawrence M. Brenton

October 1, 2001

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Board) has authorized staff to allow carriers to file new or revised worksheets after the original due date. The instructions to the worksheets have included various deadlines by which revisions could be made, the longest of which is eight months. In order to afford carriers an adequate opportunity to revise their reported revenues, the USAC Board has authorized staff to allow carriers a longer 12 month period for the filing of new or revised Universal Service Worksheets.

The Form 499-A at issue was due on April 1, 2000. Alliance submitted its FCC Form 499-A on April 13, 2001. In addition to submitting the revisions after the deadline, the revisions filed did not provide an "explanation of the cause for the change along with documentation showing how the revised figures derive from corporate financial records" as required by Section II.E. of the FCC Form 499-A instructions for which the revisions are submitted. Because Alliance's attempted submission was outside of the due date of the worksheet in question, USAC rejected the submission of this form consistent with its previously adopted policy.

USAC was able to estimate Alliance's 2000 universal service obligations based on US Republic's FCC Form 499-A submitted in September 2000. Therefore, USAC has determined it is not necessary for it to accept either the late-filed FCC Form 499-A submitted by Alliance dated April 11, 2001 nor the Form 499-A submitted with its Appeal in order to properly estimate 2000 billing.

Your Appeal states that "Alliance Group did not have any obligation to file a Form 499-A in 2000 in respect of U.S. Republic billings for 1999." As explained previously to representatives of Alliance, this is incorrect. Because Alliance acquired the assets of U.S. Republic in December of 1999, Alliance is responsible for reporting any and all 1999 revenue, including U.S. Republic's revenue. Universal service support mechanism obligations are incurred at the beginning of each quarter, therefore, U.S. Republic was responsible for payment of universal service obligations through the end of the last quarter of 1999. Alliance was responsible for filing an FCC Form 499-A reporting all of U.S. Republic's 1999 revenue for purposes of providing USAC with the information to properly estimate 2000 billing.

Thus, for the reasons set forth above, Alliance's appeal must be denied.

If you disagree with the USAC response to your Letter of Appeal, you may file an appeal with the Federal Communications Commission (FCC) within 30 days of the date of this letter. 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

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October 1, 2001
Page 3

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

Sincerely yours,

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY



By: D. Scott Barash
Vice President and General Counsel

DSB:tb

cc: Anita Cheng, FCC Common Carrier Bureau
James Shook, FCC Enforcement Bureau

EXHIBIT E

Purchase and Sale Agreement - December 23, 1999

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "Agreement") is entered into this 23rd day of December, 1999, by and between **U.S.REPUBLIC COMMUNICATIONS, INC.**, a Texas corporation ("USRC"), located at 4800 Sugar Grove Blvd, Suite 500, Stafford, Texas, and **ALLIANCE GROUP SERVICES, INC.**, a Delaware corporation ("AGSI"), located at 1221 Post Road East, Westport, Connecticut 06880.

VARTEC TELECOM HOLDING COMPANY, a Delaware corporation ("VARTEC"), joins herein for the purpose of evidencing majority shareholder approval and joining in certain of the conveyances and representations, as herein applicable.

1. Definitions: In this Agreement, the following terms shall have the following meanings:

1.1 The term "Assets" is defined as including the following items:

- a) all of the long distance Customer base and accounts (the "Customers") owned by USRC on the Transfer Date; and
- b) the independent agent agreements described on Exhibit "A" attached hereto; and
- c) all Letters of Agency, third party verification tapes and records for Customers;
- d) the trade name 'U. S. Republic Communications' (Trade Name Registration # 2,003,500, subject to all existing third party rights to use; and
- e) the Billing and Collection Agreement dated November 8, 1996 between VarTec and OAN;
- f) the Switchless Resale Agreement dated November 1, 1998 between USRC and EqualNet Corporation;
- g) all other records relating to said Customer base and accounts; and

1.2 The term "Transfer Date" shall mean the date, not later than December 23, 1999, that the Customer receivables for AT&T billing cycles ending in December, 1999 are transferred from USRC to AGSI for rating, billing, collecting and management purposes in accordance with Article 3 herein.

1.3 The term "Interim Plan" shall refer to the management of the Customers during the period between the Transfer Date and the Closing Date;

1.4 The term "Closing Date" shall mean the date on which the closing of the Asset sale from USRC to AGSI occurs, after all regulatory consents and approvals have been obtained in accordance with Article 10.

2. DUE DILIGENCE.

USRC will provide AGSI access to all of the records relating to the Customers in order for AGSI to conduct a due diligence review of the Assets. AGSI will have until Monday, 5 p.m., December 20 , 1999 to conduct a due diligence review of the Assets, and to notify USRC in

writing of its election to accept Customers and to proceed to closing or cancel this agreement. Failure to timely respond in writing to USRC shall be deemed acceptance of the Agreement.

3. PURCHASE AND SALE

On the terms and subject to the conditions hereafter expressed, Seller agrees to sell, transfer, assign and convey to Buyer at the Closing the Assets free and clear of all liens and encumbrances of any kind. After the Transfer Date and prior to the Closing, the parties agree to manage the Assets in accordance with the terms set out in the Interim Plan in Article 5 hereafter.

4. PURCHASE PRICE FOR ASSETS.

AGSI agrees to pay to USRC a total purchase price of \$2,500,000.00 for the Assets, payable as follows:

1. AGSI agrees to pay USRC by wire transfer \$1,500,000.00 at the Transfer Date.
2. AGSI agrees to pay USRC an additional \$1,000,000.00, payable in 4 equal, quarterly installment payments of \$250,000.00 each commencing 90 days after the December 23, 1999 and quarterly thereafter. AGSI will not be entitled to reduce or offset any installment payment to USRC herein unless and except for fraud or material breach of representations or warranties by USRC. In the event of dispute as to any reduction by AGSI, the parties shall be entitled to enforce any rights afforded by this Agreement.

5. INTERIM PLAN PENDING REGULATORY APPROVALS.

- (a) After payment of the Purchase Price, AGSI will take over responsibility for and shall commence rating, billing collecting and management of all Customer receivables for AT&T billing cycles ending in December, 1999, and thereafter. USRC agrees to transfer to AGSI the AT&T billing tapes for cycles ending in December, 1999.
- (b) AGSI agrees to be responsible for, and shall reimburse USRC, all AT&T usage costs and expenses associated with the billing tapes transferred to AGSI, including but not limited to, all associated fees and charges, such as PIC-C and USF incurred for the December, 1999 billing cycles. AGSI agrees to reimburse USRC for the AT&T usage charges within fifteen (15) days of date billed by AT&T. AGSI shall thereafter be solely responsible for all associated AT&T usage costs and expenses thereafter associated with the Customers, including tax compliance and reporting.
- (c) The Purchase Price will be payable by AGSI to USRC on December 23, 1999.
- (d) AGSI expressly agrees to assume all agent commission obligations and EqualNet contract obligations after the Transfer Date.

- (e) AGSI agrees that it will continue to use the 'U.S. Republic Communications' name and the tariffed rates of USRC in effect during the interim management period to bill the end user Customers prior to final Closing. After Closing, AGSI shall have the full right to use of the name 'U.S. Republic Communications' as it deems necessary.
- (f) AGSI further agrees to be responsible for all Customer service obligations after December 23, 1999 associated with the Customer base, and agrees to timely supply all Customers an 800# for AGSI Customer service. AGSI will be responsible for issuing credits for any revenues in USRC's name with respect to all AT&T tapes billed by AGSI.
- (g) AGSI agrees to accept the Assets pending receipt of all regulatory approvals provided for in Article 7 hereafter.
- (h) At the Transfer Date, VarTec agrees to assign and transfer to AGSI 1) that Billing and Collection Agreement between VarTec and OAN Services, Inc. dated November 8, 1996, subject to consent of OAN, and 2) that Switchless Resale Agreement dated November 1, 1998 between EqualNet Corporation and VarTec. AGSI will be solely responsible after the Transfer Date for servicing the Customer base through the OAN agreement and for all rights and obligations arising from the EqualNet agreement. 3) all records related to the Assets, including agent agreements.

6. OBLIGATIONS IN CONNECTION WITH TRANSFER OF ACCOUNTS.

(a) USRC agrees to provide AGSI with available Letters of Agency, third party verification tapes or other such items evidencing verification under 47 CFR 64.1100 and other such applicable state verification statutes, rules and regulations authorizing USRC to select the long distance carrier for each of the Customers. AGSI agrees to allow USRC to use of any verification tapes transferred to it that are needed by USRC after the Transfer Date.

(b) During the Interim Plan period, USRC agrees to fully cooperate and assist AGSI in the timely transfer, transition and assistance of Customers accounts to AGSI, including but not limited to, assisting with the transfer of Customer data records to AGSI in a usable format, and such items as a joint letter from the presidents of USRC and AGSI welcoming USRC Customers to AGSI, notifying them of any changes in their service and pricing structure, or other correspondence agreed to by the parties

(c) AGSI will notify USRC of request for credits for periods prior to the Transfer Date. USRC will pay credit requests for Customer billings for periods prior to the Transfer Date in a manner consistent with USRC's customary service procedures.

7. REGULATORY APPROVALS.

(a) USRC will be responsible for making any applicable state and federal regulatory filings on behalf of itself and AGSI in jurisdictions in which approvals are required, such as state public utility commissions and the Federal Communications Commission, after the Transfer Date and prior to Closing Date. AGSI agrees to fully cooperate with USRC to complete all filings by providing information, signatures, documents, certifications and similar items as needed and/or required by any and all state and federal regulatory agencies responsible for reviewing and approving this transaction. AGSI shall supply the requested information to USRC or perform the requested act (e.g., execution of all applications for regulatory approval, etc.) no later than the next business day after the request is made by telephone, electronic mail, facsimile, overnight delivery or other means of delivery. USRC agrees to initiate said filings within ten (10) business days of the Transfer Date of this Agreement, and all filings shall be made by USRC and awaiting regulatory approval within thirty (30) business days of the Transfer Date of this Agreement, provided AGSI provides USRC with the required information for the filings or unless otherwise agreed to by the parties. USRC agrees that it will not send any correspondence to any end user Customer pursuant to regulatory consents and approvals regarding this transaction without 48 hour advance notice to AGSI for their review, comment and approval, which consent will not be unreasonably withheld. USRC reserves the right to send revised correspondence after 48 hours.

(b) This Agreement cannot be canceled by any party that fails to cooperate to timely make all filings required by law to receive approval from state and regulatory agencies. In the event any approval is not obtained for whatever reason, but approvals are obtained in states representing over 75% of the Customers, then the parties agree to proceed to Closing for all Customers located in states where approvals have been received. The parties agree to mutually pursue the remaining regulatory approvals in order to Close the purchase and sale of the remaining Customers in a timely manner. The purchase price will be proportionately reduced where approvals cannot be obtained.

(c) In the event regulatory approvals cannot be obtained from states representing over 75% of the Customer base, then either party shall have the right to cancel the Agreement and AGSI shall return the Customer information to USRC and/or VarTec. In the event of cancellation, this contract will be dissolved as if this Agreement never occurred, and the parties agree to provide a full accounting of all purchase monies received by USRC and revenues received by AGSI relating to the Customer base discussed herein.

(d) USRC will be responsible for all filing fees charged by the applicable state and federal agencies to obtain regulatory consents to sale of the Assets, provided however AGSI will remain responsible, and shall reimburse USRC, for any required AGSI regulatory filings.

(e) USRC further agrees to complete and furnish to AGSI such other documentation as may be required under either state or federal laws pertaining to the transfer of the Customer base subject to this agreement for the purpose of complying with any bulk sales or other statutes for the transfer of a major asset of a transferor or for complying with any statute and/or regulation.

8. SELLER REPRESENTATIONS AND WARRANTIES.

USRC and VarTec represent and warrant that:

(a) USRC and/or VarTec is the sole owner of the Customer account base to be transferred hereunder and has the full legal ability to transfer them free and clear of any liens on such accounts to AGSI at closing, and free of any claims for broker commissions owned on Customer accounts for periods before the Transfer Date;

(b) the person executing this Agreement on behalf of USRC is authorized to execute this Agreement on behalf of and to bind USRC to the terms hereof without the necessity of further director or shareholder approval and that USRC is validly incorporated in the State of Texas, is in good standing and that all franchise and other taxes due the State of Texas are paid;

(c) USRC has not transferred or committed to transfer the Customer accounts herein to any other party, that no other party has a prior claim or purchase right in such account and USRC has had no new Customer sales since September, 1999 and no significant new solicitations since January, 1999;

(d) USRC will provide prior to the Closing Date all releases necessary to allow the transfer of its accounts free and clear from any liens, security interests or UCC filings;

(e) that USRC has complied with the laws and regulations of the FCC and appropriate State Utility Commissions, and USRC will remain responsible for any acts, pending actions or violations involving long distance Customers that arose or occurred prior to the Transfer Date (it being the date of the act or occurrence and not the date of the filing of any action which determines USRC's responsibility for the resolution of any such claims);

(f) USRC has not given any warranties or representations to any third parties or to any or all of the Customer Base in connection with its supplying of services to the Customer Base and accounts nor is it aware of any facts or occurrence forming the basis of any present claim against USRC relative to the assets and

(g) that, to USRC's knowledge, there is no material dispute with any LEC that will interfere with or prevent the billing of the long distance Customers conveyed herein.

(i) USRC has not materially breached any agent agreements or the EqualNet agreement and that no current material dispute exists between any of the parties, and that 100% of the Customers were third party verified.

(j) they will not target mail or knowingly solicit the Customers for a period of three (3) years, provided however, VarTec reserves the right to direct sell and/or market through normal mass market advertising or through sales distribution channels.

9. BUYER REPRESENTATIONS AND WARRANTIES.

Buyer represents and warrants that:

(a) the person executing this Agreement on behalf of AGSI is duly authorized to execute this Agreement on behalf of and to bind AGSI to the terms hereof without the necessity

of any further director or shareholder approval and that AGSI is authorized to do business in the State of Texas, is in good standing and that all franchise and other taxes due the State of Texas and other states have been paid;

(b) it will be legally responsible for and will pay on a timely and accurate basis all commission owing to agents under the agreements set out on Exhibit "A" attached hereto attributable to Customer accounts after the Transfer Date;

(c) it will timely cooperate with all regulatory approval and consent filings from all state and federal regulatory agencies.

10. CLOSING DATE.

Closing Date will be at a mutually agreeable time within thirty (30) days after all regulatory approvals have been obtained, or, if all regulatory approvals cannot be obtained, but regulatory approvals have been obtained from states representing 75% of the Customers, then the Closing Date will be within thirty (30) days of notice by either party of such fact. Closing will be at the offices of VarTec in Lancaster, Texas. At Closing USRC shall provide such opinions of counsel and bill of sale or other transfer document as reasonably requested by AGSI.

11. INDEMNIFICATION.

(a) USRC and VarTec agree to indemnify and hold AGSI, its stockholders, parents, affiliates, officers, directors, employees and agents, harmless from any and all actions, claims, suits, costs, attorneys' fees or damages which arise after the Transfer Date but are attributable to periods, payments or events which accrue or arise on or before the Transfer Date relating to (i) any violation or alleged violation of any FCC or other applicable law or state regulation relating to the Assets, (ii) arising out of fraudulent calls of any nature to the extent that the party claiming the calls in question to be fraudulent, is (or had been at the time of the call) an End User of USRC, and is part of the Assets, (iii) any slamming or cramming claim by a Customer alleged to have occurred prior to the Transfer Date, and the party requesting the credit is part of the Assets.

(b) AGSI agrees to indemnify and hold USRC and VARTEC, their stockholders, parents, affiliates, officers, directors, employees and agents, harmless from any and all actions, claims, assessments, suits, costs, attorneys' fees or damages attributable to periods, payments or events which accrue or arise after the Transfer Date relating to (i) any violation or alleged violation of any FCC or other applicable law or state regulation relating to the Assets, (ii) arising out of fraudulent calls of any nature to the extent that the party claiming the calls in question to be fraudulent, is (or had been at the time of the call) an End User of AGSI, and is part of the Assets, (iii) any slamming or cramming claim by a Customer alleged to have occurred after the Transfer Date, and the party requesting the credit is part of the Assets.

(c) Neither party shall be responsible for any consequential, special, incidental or punitive damages, including lost profits, alleged to have been incurred by the other party.

12. CONFIDENTIALITY OF CUSTOMER ACCOUNTS AND THIS AGREEMENT.

USRC agrees to maintain as confidential the long distance Customer account information for the Customer accounts being transferred to AGSI, including but not limited to each Customer's name, telephone number(s), address and all other information pertaining to the Customer's account. Further, both parties agree to maintain as confidential all of the terms and conditions of this Agreement, all information contained therein and any Exhibits to such Agreement, and any information exchanged between the parties in either the negotiation of this Agreement or the preparation of the documentation evidencing the agreement of the parties.

13. GOVERNING LAW, VENUE AND MANDATORY MEDIATION.

This Agreement shall be construed under the laws of the state of Texas. If any dispute or interpretation shall arise which cannot be resolved by the parties, then the parties will submit to non-binding mediation prior to suit in a good faith effort to resolve any disputes. After full participation in the mediation, either party may file suit against the other hereto. Any suit under this Agreement shall be brought in a court of appropriate jurisdiction in Dallas County, Texas.

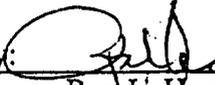
14. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all prior correspondence, negotiations or letter of intent, and cannot be modified or amended except by written agreement between the parties.

15. MULTIPLE COUNTERPART ORIGINALS.

This Agreement may be executed in multiple counterpart originals, each of which shall be an original instrument but taken together, shall constitute one Agreement. The parties agree that a facsimile signature or signature transmitted via facsimile machine shall be considered the same as an original signature for all purposes. The addresses shown below are valid for all notices hereunder, which shall be deemed given when faxed to the fax number, with a hard copy confirmation at the address shown.

SELLER
U. S. REPUBLIC COMMUNICATIONS, INC.

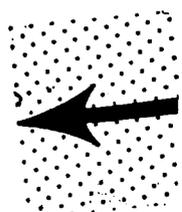
By: 

Ron L. Hughes,
Vice President

BUYER
ALLIANCE GROUP SERVICES, INC

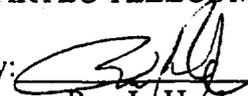
By: 

Samuel A. Brown, Chairman
and Chief Executive Officer



Joining herein for the purpose of evidencing majority shareholder approval and concurring in the conveyances and representations as applicable herein.

VARTEC TELECOM HOLDING COMPANY

By: 

Ron L. Hughes, Vice President

EXHIBIT F

U.S. Republic Corporate records

TEXAS SECRETARY OF STATE, CORPORATE RECORD

Name: U.S. REPUBLIC COMMUNICATIONS, INC.

Principal Place of Business: 3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

Principal Office: 3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

Tax Address: PO BOX 22923
JACKSON, MISSISSIPPI 39225-2923

Type of Corporation: DOMESTIC PROFIT

Status: DEAD

Status Comment: DISSOLUTION

Status Date: 03/22/2001

Filing Date: 06/06/1996

Duration: PERPETUAL

State of Incorporation: TEXAS

Registered Agent: MICHAEL G HOFFMAN

Registered Office: 1600 VICEROY DR
DALLAS, TEXAS 75235-2306

Assumed Names: BIZONTHE.NET
Status: ACTIVE
Counties: ALL
Filed: 02/18/1999
Duration: 10 YEARS
Expiration: 02/18/2009

Parent Company: VARTEC TELECOM, INC
Number: 11054871-00
Type: DOMESTIC PROFIT
State: TEXAS
% Owned: 81

Capital/Stock: 10MIL AT \$.01

Tax Year: 1998

State Tax ID: 017526549393

Incorporators: MICHAEL G HOFFMAN, LANCASTER, TEXAS

Officers, Directors and Management:

REMY, T GARY
PRESIDENT
(BOTH OFFICER AND DIRECTOR)
3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

MITCHELL, A JOE*JR
VICE PRESIDENT
(BOTH OFFICER AND DIRECTOR)
3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

JOHNSON, TOM D
TREASURER
(OFFICER)
3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

HOFFMAN, MICHAEL G
SECRETARY
(BOTH OFFICER AND DIRECTOR)
3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

EGGER, GARY D
ASSISTANT TREASURER
(OFFICER)
3200 W PLEASANT RUN RD STE 100
LANCASTER, TEXAS 75146

HEALEA, ROBERT J
ASSISTANT TREASURER
(OFFICER)
PO BOX 22923
JACKSON, MISSISSIPPI 39225

Number: 01402030-00

Filing History:

Date	Transaction
06/06/1996	ARTICLES OF INCORPORATION
04/17/1998	PUBLIC INFORMATION REPORT FILED
12/07/1998	PUBLIC INFORMATION REPORT FILED
12/07/1998	PUBLIC INFORMATION REPORT FILED
02/18/1999	ASSUMED NAME ADD
02/18/1999	ASSUMED NAME ADD
08/14/2000	CHANGE OF REGISTERED AGENT
03/22/2001	VOLUNTARY DISSOLUTION

Exhibit G

EXHIBIT G

Vartec letter of August 28, 2001 with enclosures



VarTec Telecom, Inc.

August 28, 2000

VIA OVERNIGHT DELIVERY

Mr. John Casey
Alliance Group Services, Inc.
1221 Post Road East
Westport, Connecticut 06880

Re: Invoices and Reports for U.S. Republic Communications, Inc.

Dear Mr. Casey:

Pursuant to your previous conversation with the Company, VarTec Telecom, Inc. ("VarTec") has enclosed herewith an invoice for a USAC payment as well as a report pertaining to U.S. Republic Communications, Inc. ("USRC"). VarTec has included the due date and other applicable information for each of the enclosed documents herein.

VarTec is invoicing Alliance Group Services, Inc. ("Alliance") for the December 1999 USAC assessment that the Company paid on behalf of USRC. Please note that the enclosed copy of the payment remitted by VarTec also includes the November 1999 assessment. VarTec requests that this invoice be paid in a timely manner. Contact information has been provided on said invoice if you have any questions regarding such or if you need additional information. Additionally, please find the enclosed 1999 Gross Intrastate Operating Revenue report to be submitted on behalf of USRC to the Pennsylvania Public Utility Commission ("PUC"). Please note that this report was due to the PUC on July 10, 1999; however, VarTec did not complete and submit the report as PUC staff instructed the Company to retain until further instruction was given. As such, this report is now being sent to Alliance for completion pursuant to instructions provided by PUC staff on August 28, 2000. VarTec has enclosed the original documentation herewith.

Once again, your attention to this matter is greatly appreciated. Please contact the undersigned directly at (214) 424-1512 with any questions regarding this correspondence.

Respectfully,

Maggie Horne
Regulatory Project Manager

Enclosures

cc: **Becky Gipson**
Director
Regulatory Affairs

VarTec Telecom Inc.

1600 Viceroy Drive
 Dallas, Texas 75235
 Phone (214) 424-1000
 Fax (214) 424-1344

INVOICE

INVOICE NO: 082300-01
 DATE: August 23, 2000

To: Alliance Group Services, Inc
 1221 Post Road East
 Westport, Connecticut 06880

DATE	DESCRIPTION	AMOUNT
08/23/00	Invoice for the December 1999 monthly contribution made to the Federal Universal Service Fund. This amount includes applicable late fees. VarTec Telecom remitted payment on behalf of US Republic Communications, Inc. in the amount of \$152,516.86 on check number 1034434 dated January 14, 2000. This check included payment for the November 1999 and December 1999 USF assessments. Alliance Group Services is responsible for only the December 1999 portion. A copy of the check is attached.	\$ 76,258.33
TOTAL DUE THIS INVOICE		\$ 76,258.33
Prior Balance		\$ -
TOTAL DUE		\$ 76,258.33

Please make check payable and send payment to:

VarTec Telecom, Inc.
 P.O. Box 14941
 Monroe, LA 71207-4941

If you have any questions concerning this invoice, call: Mark Rhodes @ (214) 424-1258

1034434

32	10784	12/17/1999	152516.66	152516.66	0.00	152516.66
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THIS PAPER CONTAINS UV FIBERS - HOLD UNDER BLACK LIGHT TO VIEW. THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK

VarTec
 2200 W. PLEASANT RUN RD. PH. 214-230-7200
 LANCASTER, TEXAS 75146

COMPASS BANK
 (214) 238-8600
 DALLAS, TX (748)

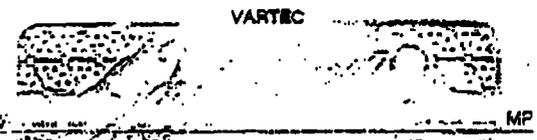
88-744 746
 1119

1034434
 CHECK NO.

01/14/2000 DATE
 1034434 CONTROL NO.
 \$*****152516.66 AMOUNT

One Hundred Fifty-Two Thousand Five Hundred Sixteen and 66/100

UNIVERSAL SERVICE ADMIN CO
 P.O. BOX 371719
 PITTSBURGH, PA 15251-7719



1034434 0111907445 71205959*

EXHIBIT H

USAC invoices



Date: 06/26/2000
Invoice #: UINV0000046412
Filer 499 ID: 811765

Mall Payment To:
Universal Service Administrative Company
PO Box 371719
Pittsburgh, PA 15251-7719

U.S. Republic Communications, Inc.
1600 Viceroy
Suite 500
Dallas, TX 75235
Attention: Becky Gipson

STATEMENT OF ACCOUNT

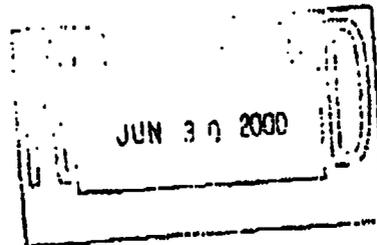
Detail of Charges:

Date		Amount	Total
	Previous Balance		\$ 288,772.22
06/16/2000	High Cost Fund Charges	31,942.54	
06/16/2000	Low Income Fund Charges	8,154.06	
06/16/2000	Rural Health Care Fund Charges	264.66	
06/16/2000	Schools & Libraries Fund Charges	31,034.03	
	Total Current Charges:		\$ 71,395.29

Detail of Payments/Credits:

Date		Amount	
06/14/2000	Payment	(288,772.22)	
	Total Payments/Credits:		\$ (288,772.22)
	Balance Due USAC:		\$ 71,395.29

Payment must be received by 07/14/2000 to avoid late payment charges
Please remit pink copy with payment to ensure proper credit
Transactions occurring after 06/16/2000 are not reflected on this statement
Direct questions to the Fund Administrator - (973) 884-8173





**UNIVERSAL SERVICE
ADMINISTRATIVE CO.**

U.S. Republic Communications, Inc.
c/o Alliance Group Services, Inc.
1221 Post Road East
Westport, CT 06880
Attention: John Casey

Date: 07/25/2000
Invoice #: UINV0040015794
Filer 499 ID: 811765

Mail Payment To:
Universal Service Administrative Company
PO Box 371719
Pittsburgh, PA 15251-7719

STATEMENT OF ACCOUNT

Detail of Charges:

Date		Amount	Total
	Previous Balance		\$ 71,395.29
07/14/2000	High Cost Fund Charges	31,562.44	
07/14/2000	Low Income Fund Charges	6,742.05	
07/14/2000	Schools & Libraries Fund Charges	17,933.18	
	Total Current Charges:		\$ 56,237.67

Detail of Payments/Credits:

Date		Amount	
	Total Payments/Credits:		\$ 0.00
	Balance Due USAC:		\$ 127,632.96

Payment must be received by 08/11/2000 to avoid late payment charges
Please remit pink copy with payment to ensure proper credit
Transactions occurring after 07/18/2000 are not reflected on this statement
Direct questions to the Fund Administrator - (973) 884-8173



Date: 08/22/2000
Invoice #: UINV0030020216
Filer 499 ID: 811765

Mail Payment To:
Universal Service Administrative Company
PO Box 371719
Pittsburgh, PA 15251-7719

U.S. Republic Communications, Inc.
c/o Alliance Group Services, Inc.
1221 Post Road East
Westport, CT 06880
Attention: John Casey

STATEMENT OF ACCOUNT

Detail of Charges:

Date		Amount	Total
	Previous Balance		\$ 127,632.96
08/16/2000	High Cost Program Charges	31,562.44	
08/16/2000	Low Income Program Charges	6,742.05	
08/16/2000	Schools & Libraries Program Charge:	17,933.18	
08/16/2000	Late Payment Penalty	535.47	
	Total Current Charges:		\$ 56,773.14

Detail of Payments/Credits:

Date		Amount	
	Total Payments/Credits:		\$ 0.00
	Balance Due USAC:		\$ 184,406.10

Payment must be received by 09/14/2000 to avoid late payment charges
Please remit pink copy with payment to ensure proper credit
Transactions occurring after 08/16/2000 are not reflected on this statement
Direct questions to the Fund Administrator - (973) 884-8598