

Received & Inspected

JUN 19 2012

FCC Mail Room

**Federal Communications Commission  
USF / ICC Transformation Order**

**Annual 54.313 Report of High Cost Recipient  
WC Docket No. 10-90**

**VTX Telecom, LLC  
Raymondville, Texas  
July 1, 2012**

**Ms. Marlene H. Dortch  
Office of the FCC Secretary  
Federal Communications Commission**



Received & Inspected  
JUN 19 2012  
FCC Mail Room

June 28, 2012

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

Re: WC Docket No. 10-90, Annual 54.313 Report of High-Cost Recipient

Dear Ms. Dortch:

Enclosed herein is the report for VTX Telecom,LLC., Study Area Code 449050, FRN #0009-1925-19, pursuant to §54.313 of the Commission’s rules.

Please direct any questions to Paula Smith, Manager Business Compliance at the following:

Phone 956-642-1194  
Email [Paular@vtci.net](mailto:Paular@vtci.net)

Sincerely,

Leonard Beurer  
Chief Financial Officer  
Valley Telephone Cooperative, Inc  
956-642-1108  
[lbeurer@vtci.net](mailto:lbeurer@vtci.net)

Enclosure

Copies to:  
Administrator  
Universal Service Administrative Company  
2000 L Street NW, Suite 200  
Washington, DC 20036

Ms. Tracie Lowery  
Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
Austin, TX 78711

**VTX TELECOM, LLC**

**Annual § 54.313 Report of High-Cost Recipient**

**Certifications**

In compliance with the following regulations, VTX Telecom, LLC, (VTXT) by David G. Osborn its Chief Executive Officer, hereby certifies, subject to the penalties for false statements imposed under 18 U.S.C. § 1001, that:

Report & Order 581 – the information provided in this report is accurate

47 CFR § 54.202(a)(1)(i) – VTXT will make reasonable efforts to comply with the service requirements applicable to the support it receives, specifically:

High Cost Loop Support – the services listed and defined in 47 CFR § 54.101(a).

Lifeline Support – the three criteria set forth in 47 CFR § 54.401(a).

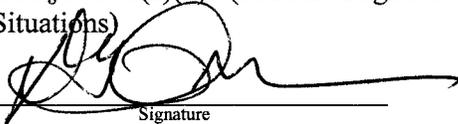
Interstate Common Line Support – the filings required in 47 CFR § 54.903 and the certification required in 47 CFR § 54.

Connect America Fund – the filings required in 47 CFR § 51.919(b).

47 CFR § 54.313(a)(5) – VTXT will make reasonable efforts to comply with applicable service quality standards as stated in Texas PUC Substantive Rule 26.54, Quality of Service and consumer protection rules as defined in 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. Please see additional service quality information included on Page No. 7 of this Report

47 CFR § 54.313(a)(6) – VTXT will make reasonable efforts to function in emergency situations as set forth in 47 CFR § 54.202(a)(2). (See also Page No. 4 of this Report regarding Reliability in Emergency Situations)

Certified by:

  
Signature

David G. Osborn  
Printed Name

CEO / General Manager  
Signature

## **VTX TELECOM, LLC**

### **Annual § 54.313 Report of High-Cost Recipient**

#### **Five-Year Plan for Improvements of Service Quality, Coverage, and/or Capacity**

In accordance with § 54.313 (a)(1), VTX Telecom, LLC will file its progress report beginning in its April 1, 2013 annual report.

VTX Telecom, LLC is taking reasonable steps necessary to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

VTX Telecom, LLC received in calendar year 2011: \$0 in High Cost Loop (HCL) universal service support, \$13,705 in Lifeline universal service support, \$54,419 in Interstate Access Support (IAS), \$0 in Local Switch Support (LSS), and \$0 in Connect America Fund (CAF) universal service support.

HCL support was received for costs from two years prior, specifically return and taxes on loop investment and loop related expenses.

Lifeline support was received for and was used to provide supported services to an average of 107 eligible customers in calendar year 2011.

IAS support was received for the number of lines reported by exchange for recovery of interstate loop costs not covered by Subscriber Line Charges and other end user charges designed to cover interstate common line costs.

There was no CAF in 2011.

## VTX TELECOM, LLC

### Annual § 54.313 Report of High-Cost Recipient

#### Current Ability to Remain Functional in Emergency Situations

VTX Telecom, LLC's network has the following safeguards built in to ensure provision of telephone service during emergency situations:

##### Back-up Power –

All remotes (building and cabinets) within the VTX Telecom, LLC., network are monitored by the Network Operations Center on a 365 days a year; 24 hours a day basis.

##### Switches – stand alone and/or host:

All Switches in Network are located in permanent buildings with DC battery capacity and generators powered by diesel fuel. Every location has enough battery capacity for a minimum of 8 hours of power and diesel fuel to power the on-site generator for a minimum of 24 consecutive hours. Many of the larger sites have capacity of 48 hours for diesel fuel. Generator testing and diesel fuel status is checked weekly for all sites in the network.

##### Remote Central Offices:

Same as above for all buildings whether it is a remote or main site.

##### Subscriber carrier (DLC, AFC, OPM, etc.):

All remote DLC sites that are in stand-alone cabinets have at least 6 hours of continuous battery life in the event of an outage. All remote cabinets have portable generator hookups in the case power is out long enough to drain the batteries. There is currently one remote within the VTX Telecom, Inc. network.

##### Network Interface Devices (NIDs):

VTX Telecom, LLC. has 100% or 667 customers with non-metallic (fiber optic) connections to the Central Office. These customers' fiber NIDs are battery powered in case of emergency. The batteries are rated to last a minimum of 24 hours with no use and 8 hours with constant use. Tests have been conducted in-house to confirm this.

##### Ability to reroute traffic around damaged facilities

VTX Telecom, LLC. has built redundant facilities between its exchanges and / or to its connecting company / toll tandem. These redundant facilities are in the form of SONET rings and redundant Ethernet transport with alternate physical facilities and meet points between VTX Telecom, AT&T, and Verizon, its interconnection to the Public Switched Telephone Network.

Current Ability to Remain Functional in Emergency Situations (continued)

Capability to manage traffic spikes resulting from emergency situations:

VTX Telecom, LLC. has 667 customers, switching capacity of 84,000 simultaneous calls, and transport capacity for 216 simultaneous calls. VTX Telecom, LLC. takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

VTX Telecom, LLC. OUTBOUND TRUNKS

INTRA-LATA	<b>AT&amp;T San Antonio</b>	<b>24</b>
INTRA-LATA	<b>AT&amp;T Harlingen</b>	<b>24</b>
INTRA-LATA	<b>AT&amp;T Corpus</b>	<b>24</b>

maximum number of simultaneous intra-LATA calls: 72

IXC	<b>AT&amp;T</b>	<b>48</b>
IXC	<b>AT&amp;T</b>	<b>24</b>

maximum number of simultaneous IXC (aka "long distance") calls: 72

ELC/EAS	<b>AT&amp;T Harlingen</b>	<b>24</b>
ELC/EAS	<b>AT&amp;T SAN ANTONIO</b>	<b>24</b>
ELC/EAS	<b>AT&amp;T Harlingen</b>	<b>24</b>

maximum number of simultaneous ELC/EAS calls to neighboring exchanges: 72

<b>VTX Telecom / CLEC / CFS / UX9024 Server</b>		
Calls	84000	Concurrent calls per Call Feature Server
Busy Hour Call Attempts (BHCA)	1300000	Busy Hour Call Attempts per Call Feature Server
Subscribers	250000	Subscriber lines per Call Feature Server
Racking	12	Maximum UX9024 servers per 7' telco rack.

<b>MG2510 Universal Media Gateway</b>		
Calls	1920	concurrent calls per Universal Media Gateway (with Equipment Protection Switching backup on all Universal Media Cards)
Busy Hour Call Attempts (BHCA)	250000	Busy Hour Call Attempts per Universal Media Gateway
Racking	6	Maximum Universal Media Gateways per 7' telco rack, or 3 Universal Media Gateways plus Call Feature Server

## **VTX TELECOM, LLC**

### **Annual § 54.313 Report of High-Cost Recipient**

#### **Satisfaction of Consumer Protection and Service Quality Standards**

##### **Consumer Protection:**

VTX Telecom, LLC complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

##### **Service Quality Standards:**

VTX Telecom, LLC is required to meet the service standards of the State of Texas as promulgated in the Texas PUC Substantive Rule 26.54 Quality of Service Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

## **VTX TELECOM, LLC**

### **Annual § 54.313 Report of High-Cost Recipient**

#### **Detailed Information on any Outage**

**VTX Telecom, LLC** is required to report all outages that meet the FCC's definition in § 54.313. An outage is a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network of at least 30 minutes in our service area.

VTX Telecom, LLC was not required to collect this information in 2011.

VTX Telecom, LLC, will track all applicable outages and report this information in their 2013 annual filing for calendar year 2012.

## **VTX TELECOM, LLC**

Annual § 54.313 Report of High-Cost Recipient

### Miscellaneous Information

#### Unfulfilled Requests

VTX Telecom, LLC was not required to collect this information in 2011.

VTX Telecom, LLC, will track all unfulfilled requests and report this information in their 2013 annual filing for calendar year 2012.

#### Complaints

VTX Telecom, LLC was not required to collect this information in 2011.

VTX Telecom, LLC, will track all complaints and report this information in their 2013 annual filing for calendar year 2012.

**VTX TELECOM, LLC**

Annual § 54.313 Report of High-Cost Recipient

Service on Tribal Lands

Service on Tribal lands

VTX Telecom, LLC does not serve Tribal lands.

**VTX TELECOM, LLC**

Annual § 54.313 Report of High-Cost Recipient

Holding Company, Affiliates, DBA information and Other Identifiers

In accordance with § 54.313 (a)(8), VTX Telecom, LLC hereby provides the above requested information:

Parent: Valley Telephone Cooperative, Inc is the Parent company.

Affiliates: Valley Telephone Cooperative, Inc. owns 100% of the following affiliate entities:

VTX Telecom, LLC  
VTX Communications, LLC  
VTX Investments, LLC  
VTX Broadband, LLC

Branding DBA: VTX1, VTCL,

Study Area Code: 449050

CCN: NONE

FCC 499 Filer ID: 802411

USAC SPIN: 143032525

FRN: 0009-1925-19

**VTX TELECOM, LLC**

Annual § 54.313 Report of High-Cost Recipient

Residential Voice Rates as of June 1, 2012

The residential rates for VTX Telecom, LLC and quantities as of the date listed above are included on Attachment "A".

## **VTX TELECOM, LLC**

### **Annual § 54.313 Report of High-Cost Recipient**

Include a full and complete annual report of the company's financial condition and operations as of the end of the preceding fiscal year, which is audited and certified by an independent certified public accountant in a form satisfactory to the Commission. The annual report shall include balance sheets, income statements, and cash flow statements along with necessary notes to clarify the financial statements. The income statements shall itemize revenue, including non-regulated revenue, by its sources.

VTX Telecom, LLC submits a copy of their parent company's audited financial statements in Attachment "B". These audited financial statements are consolidated, including parent and all affiliates. Detailed information regarding VTX Telecom, LLC can be found in the accompanying notes to these financial statements.

Attachment "A"

VTXT

Residential Voice Rates as of June 1, 2012

Study Area Code	Exchange	Current Residential Flat Rate	Additional Basic Local Rate Charges if applicable	Mandatory Expanded Calling	Fed Subscriber Line Charge	State Subscriber Line Charge	State USF Surcharge	County E-911 Surcharge	State E-911 (e.g. fire & police)	Total Residential Voice Rate
4409050	Agua Dulce	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Charlotte	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Dilley	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Falfurrias	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	George West	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Jourdanton	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Lyford	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Orange Grove	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Premont	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Raymondville	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42
4409050	Santa Rosa	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ 0.86	\$ 0.06	\$ 0.50	\$ 26.42

A