



June 22, 2012

TelePacific Management Assertions on Compliance with FCC Requirements for Payphone Compensation Processes

The FCC's Report and Order of October 3, 2003 (FCC 03-235/CC Docket No. 96-128) in the matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, provides that Completing Carriers engage an independent third party to audit the call tracking system that supports payphone compensation payments. The order requires each Completing Carrier to establish its own call tracking system and to have a third party attest that the system accurately tracks payphone calls to completion.

Management of U.S. TelePacific Corp., a California corporation, on behalf of itself and its affiliates Mpower Communications Corp., a Nevada corporation, Arrival Communications, Inc., a Delaware corporation, and Tel West Network Services Corporation, a Washington corporation, all d/b/a TelePacific Communications, (referred to jointly and severally herein as "TelePacific"), is responsible for establishing and maintaining the processes and internal controls of its payphone call tracking system necessary for compliance with the requirements specified in Sections 64.1310 and 64.1320 of the Final Rules of FCC Order 03-235 (CC Docket No. 96-128). In accordance with the aforementioned criteria, TelePacific has not materially modified its payphone compensation processes and systems since the last system audit report as of June 30, 2011 and asserts continued compliance with the following:

1. TelePacific has procedures in place to accurately identify and track coinless access code or subscriber toll-free payphone calls to completion
2. TelePacific has assigned a specific person responsible for tracking, compensating, and resolving disputes concerning payphone completed calls and this responsibility is included in the person's job description
3. TelePacific has effective data monitoring procedures in place
4. TelePacific adheres to established protocols to ensure that any software, personnel, or network changes do not adversely affect its payphone call tracking ability
5. TelePacific has created compensable payphone call files by matching call detail records against payphone identifiers
6. TelePacific has implemented procedures to incorporate call data into required reports
7. TelePacific has implemented procedures and controls necessary to resolve payphone compensation disputes



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8. TelePacific has implemented critical controls and procedures to ensure payphone compensation errors are insubstantial
9. TelePacific has implemented business rules to identify compensable payphone calls
10. TelePacific has procedures in place to post the Chief Financial Officer's sworn statement of payphone compensation accuracy based on 100% of all completed calls

TelePacific, as the Completing Carrier, represents the following in fulfillment of the obligations specified in Section 64.1320 (d):

- (i) TelePacific's criteria for identifying calls originating from payphones include Originating Line Identification (OLI) digits of 27, 29, or 70 and the originating telephone number
- (ii) TelePacific's criteria for identifying compensable payphone calls include all completed (answered) calls with OLI digits of 27, 29, or 70 originated from a payphone ANI
- (iii) TelePacific's criteria for identifying incomplete or otherwise non-compensable calls include those calls without an OLI of 27, 29, or 70 or a call that was not answered or a call not originated from a payphone ANI
- (iv) TelePacific's criteria used to determine the identities of the payphone service providers to which TelePacific owes compensation are established by its clearinghouse, Billing Systems Group (BSG)
- (v) TelePacific uses Billing Systems Group (BSG) as its clearinghouse
- (vi) The type of information that TelePacific needs from the payphone service providers in order to compensate them is determined by BSG