

TELEINFOSYSTEMS, INC.

MEMO

Date: April 9, 2002

To: RMS Users
From: Bill Warinner

Re: RMS Version 2.12 Update

New RMS Version 2.12 processing files are now available for download from the web site of Warinner, Gesinger & Associates, LLC (www.wgacpa.com).

RMS Version 2.12 contains Part 69 modifications to further revise the changes in RMS Version 2.1x associated with the MAG order released by the FCC. These rules go into effect January 1, 2002 for Class B telecommunications carriers.

RMS Version 2.12 contains two modifications to the Part 69 module dealing with the reallocation of transport interconnection (TIC) costs. The modifications are made pursuant to Section 69.415 of the FCC rules and based on an order released by the FCC (DA 01-2871) on December 11, 2001 specifically addressing the amount of TIC revenues to be reallocated in accordance with the MAG order. A detailed analysis of the modifications to Part 69 in the regular processing and manager files is attached to this memo.

RMS Version 2.12 displaces RMS Version 2.11 processing files only. RMS users will continue to use their Version 2.11 input file(s) with RMS Version 2.12. There is no fee required to upgrade from RMS Version 2.10 or 2.11 to RMS Version 2.12. If you previously upgraded to RMS Version 2.10 or 2.11, you do not need to order Version 2.12. RMS Version 2.12 has been made available on the web site of Warinner, Gesinger & Associates, LLC effective Thursday, April 4, 2002.

Cost studies for the year 2001 can be processed using either RMS Version 2.11 or 2.12 with either RMS Version 2.10 or 2.11 input files. However, Class B carriers should ignore input data lines 810 through 813 as they will not apply until July 1, 2002. Cost studies for the year 2002 and subsequent years should be processed using RMS Version 2.12 with RMS Version 2.11 input files.

The WGA web site contains a downloadable routine to convert RMS Version 2.10 input files to Version 2.11 input files. Once converted, RMS Version 2.10 input files should be

eliminated. For those users who have not upgraded to RMS Version 2.1x, you can upgrade to Version 2.12 at the same cost as the upgrade to Version 2.10 or 2.11. If you have not received a copy of the RMS upgrade order form, please contact Kevin Rains at 913-599-3236.

RMS Version 2.11 input files should be used for all studies beginning on or after January 1, 2002. For this reason, it is recommended that all RMS users convert all Version 2.10 input files to Version 2.11 using the conversion routine "InputConvert210To211.xla" that is available on the web site of WGA. (The version number of all v2.1x input files can be found in cell A1 of the file.) Download this file to your RMS subfolder. This routine will only convert Version 2.10 input files to Version 2.11. The first input file to be converted to Version 2.11 should be the master Version 2.10 "InputBlank.xls" input file. Start the conversion process by opening the file "InputConvert210To211.xla". When prompted, load the master Version 2.10 "InputBlank.xls" file. Next, choose to save the new master Version 2.11 input file as "InputBlank.xls" in a new subfolder under RMS containing the RMS Version 2.12 processing files. In a similar manner, convert any populated Version 2.10 input files to Version 2.11 and save them to the appropriate folder designated by the user. Input files prior to Version 2.10 (v1.13 to v2.02) may be converted to Version 2.11 by using the routine "InputConvertTo21x.xla" in combination with the newly created Version 2.11 "InputBlank.xls" master input file. "InputConvertTo21x.xla" is used as described above, with the additional restriction that the file "InputBlank.xls" must be located in the same folder as "InputConvertTo21x.xla" prior to opening "InputConvertTo21x.xla".

A special thanks is extended to Kim Robinson of Matanuska Telephone Association and Lisa Farrar of Century Telephone for bringing these issues to our attention. On behalf of TeleInfoSystems, Inc., we at WGA try to maintain RMS in compliance with all applicable FCC rules and regulations. If you have any questions or concerns about the processes and allocations within RMS, please contact Bill Warinner, Andy Denzer or Kevin Rains at 913-599-3236 and we will discuss them with you. As always, thank you for your continued support of RMS.

A handwritten signature in black ink, reading "William J. Warinner". The signature is written in a cursive style with a long, sweeping underline.

RMS Version 2.12 Changes to Part 69

TIC Revenue Re-allocation

RMS Version 2.12 contains two modifications to the Part 69 module dealing with the reallocation of transport interconnection (TIC) costs presented on Schedule A-1, Summary of Revenue Requirement by Access Element.

1. Line 44 has been modified to include Federal Support Charges derived from Schedule A-10, Plant Non Specific Expenses, Line 8b. Section 69.415(c)2 of the FCC's rules require that Federal Support Charges be eliminated from the basis for the reallocation of interstate TIC revenues in studies for the year 2002 and future periods.
2. The amount of interstate TIC revenue to be reallocated appearing on Line 46 of Schedule A-1 has been modified to reflect a limitation not to exceed the total tandem switched transport revenue requirement reflected on lines 43 and 44 of Schedule A-1. This change was made pursuant to an order released by the FCC (DA 01-2871) on December 11, 2001 specifically addressing this issue of caps on the amount of TIC revenues to be reallocated in future periods.

RMS Manager Version 2.12 Changes

TIC Revenue Re-allocation

The above changes to RMS Part 69 were also applied to the interstate Part 69 revenue requirement schedule (TI-1) in RMS Manager Version 2.12.

1. On Schedule TI-1 of the Manager file, Line 36 has been modified to include a reduction for Federal Support Charges derived from Schedule TI-3, Line 13b.
2. The amount of interstate TIC revenue to be reallocated appearing on Line 38 of Schedule TI-1 has been modified to reflect a limitation not to exceed the total tandem switched transport revenue requirement reflected on lines 35 and 36 of Schedule TI-1. This change is also made pursuant to FCC Order DA 01-2871 released December 11, 2001.