

OFFICIAL FILE
ILLINOIS COMMERCIAL COMMISSION

ORIGINAL

File this application with the Commission. If unable to do so, file one original verified application with the Commission.

ILLINOIS
COMMERCIAL COMMISSION
Docket No. _____
ICC Office Use Only

Please provide the appropriate information in the () **2002 DEC 20 P 1: 5b** and submit the heading below.

Talk America Inc.
Application to Amend its Certificate
to Operate as a Facilities-Based Carrier of
Local and Long Distance Telecommunications
Services Statewide in the State of Illinois.

: CHIEF CLERK'S OFFICE
:
: **02-0852**
:

**APPLICATION FOR CERTIFICATE TO BECOME A
TELECOMMUNICATIONS CARRIER**
(Use additional sheets as necessary.)

GENERAL

1. Applicant's Name(including d/b/a, if any) FEIN # 23-2585700

Talk America Inc.

Address: Street 6608 Route 202

City New Hope

State/Zip Pennsylvania 18938

Please see **Attachment 1** for an Executive Summary of the Application, including a further description of Talk America Inc.

2. Authority Requested: (Mark all that apply) 13-403 Facilities Based Interexchange
 13-404 Resale of Local and/or Interexchange¹
 13-405 Facilities Based Local

3. Request for waivers/variances: In applications for local exchange service authority under Sections 13-404 or 13-405, waivers of Part 710 and of Section 735.180 of Part 735 are

¹ **Applicant was authorized to provide resold long distance services in the State of Illinois in Docket 95-0447, dated December 20, 1995 in the name of Tel-Save, Inc. d/b/a Network Services of New Hope and also d/b/a The Phone Company, and continues to resell long distance service in the state pursuant to that authority. Applicant was authorized to provide resold local exchange services on September 12, 1997 in Docket 97-0172 in the name of Tel-Save, Inc. d/b/a Network Services of New Hope and also d/b/a The Phone Company. However, to date, Applicant has not provided local exchange services under its existing resale authority. While that local resale authority has not been formally relinquished or cancelled, through this application, Applicant would like to renew its local resale authority, which has been inactive for more than two years, as well as apply for the facilities-based authority requested herein.**

generally requested. In applications for interexchange service authority under Sections 13-403 and 13-404, waivers of Part 710 and Part 735 are generally requested. Please indicate which waivers Applicant is requesting and explain why Applicant is requesting each waiver/variance.

- Part 710 Uniform System of Accounts for Telecommunications Carriers
- Part 735 Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois
- Section 735.180 Directories
- Other

Applicant seeks a waiver of Part 710 Uniform System of Accounts ("USOA") for Telecommunications Carriers because the Applicant currently maintains a single set of its books and records according to the Generally Accepted Accounting Principles ("GAAP"). Accordingly, Applicant requests the waiver to avoid the burdens associated with maintaining two sets of books. USOA was designed for rate base/rate of return regulation and is generally not used by competitive telecommunications companies not subject to that method of regulation. GAAP is a standard accounting method used by most competitive telecommunications companies, and provides sufficient detail for easy comparison between telecommunications companies. Applicant understands that a waiver of this requirement will not excuse it from compliance with future Illinois Commerce Commission ("Commission") rules or amendment of Part 710 that are otherwise applicable to the Applicant.

Applicant seeks a variance of Part 735.180 to the extent that it will contract with the underlying incumbent LEC for the provision of directory listings in lieu of publishing such directories on its own. Applicant understands that, failing this agreement, it is responsible for the provision of directory publications to its customers.

Finally, Applicant seeks a waiver of ILL. ADMIN. CODE tit. 83 § 250.10, which requires public utilities to keep books, accounts, records and memoranda within the State of Illinois. Applicant maintains its books and records at its national headquarters in New Hope, Pennsylvania. Should it be necessary for the Commission to have access those books and records, Applicant will facilitate such access expeditiously and at its own expense.

4. For all applicants requesting local exchange authority under Section 13-404 or Section 13-405, please complete the following:
 - (a) the Standard Questions for Applicants Seeking Local Exchange Service Authority found in Appendix A of this document; (Attached)
 - (b) the 9-1-1 Questions for Applicants Seeking Local Exchange Service Authority found in Appendix B of this document; (Attached)
 - (c) the Financial Questions for Applicants Seeking Local Exchange Service Authority found in Appendix C of this document; (Attached) and

(d) if applicable, the Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority found in Appendix D of this document. (Attached)

5. In what area of the state does the Applicant propose to provide service?

While the Applicant proposes initially to provide local service in areas where Ameritech is the incumbent local exchange carrier, the Applicant is requesting statewide authority to provide facilities-based local service. Applicant currently provides resold interexchange services throughout the state, and requests statewide authority to provide facilities-based interexchange service.

6. Please attach a sheet designating contact persons to work with Staff on the following:

- a) issues related to processing this application
- b) consumer issues
- c) customer complaint resolution
- d) technical and service quality issues
- e) "tariff" and pricing issues
- f) 9-1-1 issues
- g) security/law enforcement

Please identify each contact person's (i) name, (ii) title, (iii) mailing address, (iv) telephone number, (v) facsimile number, and (vi) e-mail address.

The initial contact person for all of the above-mentioned areas is Sharon Thomas, Director of Regulatory for Talk America. Ms. Thomas can be reached at: 12001 Science Center Drive, Suite 130, Orlando, FL 328261, (407) 313-1353 (tel) (405) 658-6312 (fax), sthomas@talk.com. To the extent that additional expertise is needed with respect to issues arising in any of the above-referenced areas, Ms. Thomas will coordinate resources within the Applicant to work with Staff.

7. Please check type of organization?

Individual
 Partnership

Corporation
Date corporation was formed:
In what state? Pennsylvania

May 17, 1989

Other (Specify)

8. Submit a copy of articles of incorporation and a copy of certificate of authority to transact business in Illinois.

Please see **Attachment 2.**

9. List jurisdictions in which Applicant is offering service(s).

Applicant is authorized to provide resold long distance service in all states except Alaska and resold local exchange service in all states except Alaska, Maine, Nebraska, Rhode Island, and Vermont. Applicant is authorized to provide facilities-based local exchange services in Alabama, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Mississippi, Montana, Nevada, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Virginia, Washington,

and Wisconsin. The Applicant currently has local exchange customers in Alabama, California, Florida, Georgia, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, Mississippi, North Carolina, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia.

Applicant was authorized to provide resold long distance services in the State of Illinois in Docket 95-0447, dated December 20, 1995 in the name of Tel-Save, Inc. d/b/a Network Services of New Hope and also d/b/a The Phone Company. Applicant was authorized to provide resold local exchange services on September 12, 1997 in Docket 97-0172 in the name of Tel-Save, Inc. d/b/a Network Services of New Hope and also d/b/a The Phone Company. On August 26, 1999, a name change notification was filed for both certifications in the name of Talk.com Holding Corp. d/b/a Network Services of New Hope and also d/b/a The Phone Company. On April 11, 2001, Talk.com Holding Corp., the operating subsidiary, changed its name to Talk America Inc. The Illinois Commerce Commission ("ICC" or "Commission") was notified of this name change on June 15, 2001.

10. Has the Applicant, or any principal in Applicant, been denied a Certificate of Service or had its certification revoked or suspended in any jurisdiction in this or another name?

YES (Please provide details) NO

The Applicant applied for a facilities-based authority in the State of Illinois in 2000. However, the Applicant recently withdrew that application. The instant application replaces the previously-filed and withdrawn application of the Company.

11. Have there been any complaints or judgements levied against the Applicant in any other jurisdiction? YES NO

If YES, describe fully.

The Applicant has had informal and formal complaints filed by customers through various regulatory agencies. Page 1 of Attachment 3 displays the number of monthly complaints received through regulatory agencies for all of Applicant's customers nationally (both local and long distance), for the past year (October 2001 through September 2002). Page 2 of Attachment 3 shows the number of complaints filed by Illinois customers with the ICC regarding Applicant's long distance service during 2001 and 2002 (through December 6). Page 3 of Attachment 3 shows the number of complaints filed by Illinois customers with the FCC during 2001 and 2002 (through December 6). The Applicant also receives inquiries and informal disputes directly from customers. As demonstrated by the charts in Attachment 3, the Applicant's complaint levels have declined precipitously over the past year as a result of the substantial enhancements that the Applicant has made to its operational, sales, billing, and customer service processes. The nature of the customer complaints, the Applicant's processes for resolving them, and the steps taken by the Applicant to correct underlying factors that gave rise to such complaints will be described in the pre-filed testimony of Ms. Frances

McComb, which will be submitted in support of this Application, shortly after the filing of the Application.

With respect to “judgements” levied against the Applicant, Attachment 4 and Attachment 1 (Executive Summary) describe all past and ongoing investigations by various regulatory agencies regarding the Applicant, and, where applicable, the disposition of those investigations. As Ms. McComb will explain in her pre-filed testimony, the Applicant has greatly improved its operational and marketing processes that gave rise to these regulatory investigations, and has satisfactorily resolved the state regulatory investigations at this time.

12. Has Applicant provided service under any other name?

Y YES NO

If YES, please list

On May 17, 1989, Tel-Save, Inc. (“Tel-Save”) was incorporated in the State of Pennsylvania as a close corporation for purposes of reselling long distance services throughout the United States. In 1996, Tel-Save, Inc. d/b/a Network Services of New Hope was certificated in the State of Illinois to provide resold long distance service.

On May 21, 1999, Tel-Save changed its name to Talk.com Holding Corp. (“Talk.com”). The Applicant notified the Illinois Commerce Commission and the name change was accepted by the ICC in August 1999. That same year, the holding company parent of Talk.com, Tel-Save Holdings, changed its name to Talk.com, Inc. Approximately two years later, on April 9, 2001, Talk.com, Inc., the parent company, changed its name to Talk America Holdings, Inc. while contemporaneously, on April 11, 2001, Talk.com Holding Corp., its operating subsidiary, changed its name to Talk America Inc. The ICC was notified of this name change on June 15, 2001.

The Applicant’s first name change, from Tel-Save to Talk.com, was undertaken because at that time the Applicant believed that association with the then-popular “dot com” branding would enhance its brand appeal. The Applicant’s second name change, from Talk.com to Talk America, was undertaken in order to better reflect the Applicant’s profile as a national provider of local and long distance services to residential customers, while retaining the “Talk” brand as well as the Talk.com website address, in order to minimize customer confusion.

The Applicant also has used three registered d/b/a’s during its operations. First, it has had a registered d/b/a as “Network Services of New Hope.” Until 1999, the Applicant provided wholesale carrier services to third-party long distance resellers. When the Applicant eventually acquired customers of various resellers of these carrier services who ultimately went out of business, it provided services to those customers under the Network Services of New Hope (or “Network Services”) d/b/a. Since 1999, the Applicant has continued to serve that historic customer base that it acquired under the “Network Services” d/b/a, however, it no longer markets under that d/b/a.

Second, through its affiliate, The Other Phone Company, Talk America has had a registered d/b/a in a number of states where The Other Phone Company did business as "Access One Communications." Prior to the acquisition of The Other Phone Company (d/b/a "Access One Communications") in mid-2000 by Talk America, the management of The Other Phone Company had selected the d/b/a of "Access One Communications" as a marketing effort designed to reduce customer confusion. This d/b/a thus was in place prior to the Applicant's acquisition of The Other Phone Company, and was acquired as a result of the acquisition. Initially, the Applicant marketed its services under the "Access One Communications" d/b/a pursuant to a marketing agreement that expired at the time of the acquisition of The Other Phone Company in August of 2000, and later, pursuant to its acquisition of The Other Phone Company. Applicant ceased marketing under the "Access One Communications" d/b/a when it implemented its name change to Talk America in 2001.

Third, Talk.com Holding Corp. (now Talk America Inc.) used the d/b/a "New Hope of Pennsylvania," but later ceased marketing under that d/b/a when the name change to Talk America was implemented.

In addition, the Applicant has, at various times in the past, in various jurisdictions, contracted with a variety of unaffiliated third parties to market its services to its customers. These entities include: America On-Line ("AOL"); Discover Financial Services; Prodigy Communications Corporation; First USA Bank, NA; Quintel Communications, Inc. (now Traffix); 800predict.com; AllConnect, LLC; Alliance Communications Technologies, Inc.; The Backend Company of America, Inc.; Bookboom.com; Call Center Connection, Inc.; Cdnw Online, Inc.; ClubComputer.com; Compuserve Interactive Services, Inc.; Cybergold, Inc.; Decide.com; Direct Merchants; Credit Card Bank, NA; Direct Sales International, LP, E*Trade; EC-Support, Inc.; ETM Entertainment Network, Inc.; Extra Credit for Schools, Inc; The Furst Group, Inc.; Innovative Marketing Strategies, Inc.; Marketing Ally; MP3.com; New Vision International, Inc.; United Com Group, Inc. and Cap-Tel, LLC; Pizza Hut, Inc.; Preferred Customers Guild, LP; Priceline.com; Real Marketing Services; Specialty Outsourcing Solutions, Ltd.; Telemarketing Concepts; Amazon.com; Buy it Now; Flowers USA; Garden.com; Irvin and Associates; Reel.com; The Sharper Image; and Toysmart.. None of these entities are or were affiliated with Talk America and the Applicant has not done business as any of the foregoing entities or vice versa.

13. Will the Applicant keep its books and records in Illinois? YES NO
If NO, permission pursuant to 83 Ill. Adm Code Part 250 needs to be requested.

Applicant seeks permission as anticipated in 83 Ill. Admin. Code, Part 250 to maintain its books and records outside of the State of Illinois. To this end, the Applicant seeks a waiver of Part 250 of the ICC's rules, as requested in question 3, *supra*. The Applicant maintains its books and records at its national headquarters in New Hope, Pennsylvania. Permission to do so was granted by the Commission in the Order approving the Applicant's local and long distance resale applications in 1995 and 1997 (please see note

1, supra). In case it should be necessary for the Commission to have access to the Applicant's books and records, Talk America will facilitate that access at its own expense.

MANAGERIAL

14. Please attach evidence of the applicant's managerial and technical resources and ability to provide service. This may be in either narrative form, resumes of key personnel, or a combination of these forms.

Please see Attachment 5.

15. List officers of Applicant.

Please see Attachment 6.

16. Does any officer of Applicant have an ownership or other interest in any other entity which has provided or is currently providing telecommunications services? ____ YES ___X___ NO

If YES, list entity. _____

17. How will Applicant bill for its service(s)? (At a minimum, describe how often the Applicant will bill for service and details of the billing statement.)

The Applicant will bill customers directly for its services on a monthly basis. All billing statements will list the Applicant's name, address and customer service toll free telephone number for customer inquiries or concerns and will otherwise comply with the ICC's billing rules, as set forth in Part 735.70 of the ICC's Administrative Rules, as well as all applicable billing rules of the Federal Communications Commission ("FCC").

18. How does Applicant propose to handle service, billing, and repair complaints? (At a minimum, describe Applicant's internal process for complaint resolution, the complaint escalation process, the timeframe and process by which the customer is notified by Applicant that they may seek assistance from the Commission?)

Applicant will be directly responsible for all customer service, billing, and repair inquiries and complaints. Customer inquiries or complaints may be reported by the customer via the Applicant's toll free telephone number, 800-291-9699. This number or a comparable number will appear on the customer's bill. Customer service representatives are available to respond to inquiries or complaints regarding service or billing issues from 7am to 6pm EST, M-F, and from 8am to 5pm EST on Saturday. To report dial tone outages or other local service repair issues, customers may call 1-877-349-8660, a number that is available 24 hours a day, seven days per week.

The Applicant's customer service representatives are trained to handle and attempt to resolve all customer inquiries or complaints. If a customer inquiry or complaint cannot be resolved by the customer service representative, at the customer's request, the representative will escalate the call to a supervisor who will attempt to resolve the issue.

In accordance with Part 735.190 of the Commission's rules, the Applicant will direct its customer service supervisors to inform any customer/applicant who expresses nonacceptance of a decision by the supervisor of his/her right to have the problem reviewed by the Commission and to furnish the customer/applicant with the telephone number and address of the Consumer Affairs Division of the Illinois Commerce Commission.

Any complaints received by the Applicant via the Commission or other regulatory agency are handled and resolved by the Applicant's Regulatory Department. The Regulatory Department is headed by Ms. Frances McComb, Vice President of Regulatory Affairs, who reports directly to the Applicant's President. The *Talk America Regulatory Department Complaint Processes and Policies*, appended hereto as *Attachment 7* (filed under seal) is an internal Talk America handbook prepared by the Applicant, which details the Applicant's complaint resolution policies and procedures. This handbook is updated routinely as the Applicant's processes are improved and refined and as state rules are modified, to ensure that complaints are handled efficiently and in accordance with all relevant federal and state rules and procedures.

19. Will personnel be available at Applicant's business office during regular working hours to respond to inquiries about service or billing? YES NO

20. What telephone number(s) would a customer use to contact your company?

1-800-291-9699 for customer inquiries or complaints (reps available 7am – 5pm EST and 8am to 5pm Saturday).

1-877-349-8660 for service problems or outages. Available 24 hrs. 7 days per week.

21. Will Applicant abide by all Federal and State slamming and cramming laws pursuant to Section 13-902 of the Public Utilities Act and Section 258 of the 1996 Telecommunications Act?

YES NO

22. Please describe applicant's procedures to prevent slamming and cramming of customers?

Applicant complies with all presubscribed interexchange carrier change rules promulgated by the FCC, as well as state slamming and cramming laws and rules. The Applicant employs a strict, zero-tolerance policy toward slamming, cramming, misrepresentation and any other conduct that violates any applicable law.

Talk America has implemented number of policies to ensure strict enforcement of its customer verification procedures and swift policing action of any violations of these procedures. First, Talk America remotely monitors its telemarketing staff to ensure full compliance with its established verification procedures and policies regarding the solicitation of customers and the unauthorized transfer of service. On November 1, 2000, the Applicant established a monitoring group, responsible for the remote and random monitoring of a sampling of telemarketing calls. This group monitors sales calls on a random and anonymous basis, in order to ensure the accuracy and validity of Talk

America's customer verifications and the full compliance of its telemarketers with state and federal slamming requirements. The Applicant affords the same scrutiny to all of its direct mail and on-line promotional campaigns.

Second, in early 2001, the Applicant consolidated its regulatory department for purposes of reviewing and approving all sales material, including sales and verification scripts and direct mail and promotional materials, to ensure compliance with all applicable laws. To assist in this process, in April 2001 the Applicant hired a Director of Regulatory Affairs with seven (7) years experience with the Nevada PUC and more than 20 years overall experience in utility regulation. The Applicant has centralized its regulatory department to ensure strict enforcement of the Applicant's zero-tolerance policy and to ensure uniform and expeditious Applicant responses to customer complaints and a heightened awareness of potential verification problems.

Third, on an ongoing basis, Talk America's regulatory department reviews its telemarketing and verification scripts to ensure full compliance with federal and state rules regarding the solicitation of customers and the unauthorized transfer of service. The Applicant affords the same scrutiny to all of its direct mail and on-line promotional campaigns

Fourth, the Applicant strictly enforces its zero tolerance policy. Any employee or independent contractor who violates Talk America's zero-tolerance policy is immediately terminated. All independent contractors (telemarketers and third party verification ("TPV") entities) have been notified of this zero-tolerance practice. All direct agents of the Applicant receive extensive training and monitoring in the Applicant's compliance procedures and have been separately notified of the zero-tolerance policy. For instance, in October, 2000, the Applicant terminated its relationship with its former telemarketing agent, Traffix (formerly known as Quintel Corporation) due to its belief that the agent engaged in unauthorized marketing promotions and practices.

The Applicant also has undertaken further efforts to prevent slamming. First, it created a comprehensive sales training manual, which it distributed to all of its telemarketing agents and employees to provide them with centralized information, including the Applicant's zero-tolerance policy against slamming and the complaint resolution process with which all of Talk America's sales and customer service personnel must comply. The Applicant's training manuals and related materials are available to its personnel online for ease of distribution and modification. Moreover, during 2001 the Applicant implemented an improved company-wide monitoring and tracking system for customer complaints, which it utilizes to adhere to the FCC's and several states' requirements for reporting the number of slamming complaints each carrier receives semi annually. This system tracks and reports the number of slamming complaints received by the Applicant; the number of slamming complaints investigated by the Applicant and found to be valid; and the number of slamming complaints involving local, intrastate and interstate interexchange services, whether investigated or not, that the Applicant has resolved with the customer. Prior to the completion of this system in June 2001, the Applicant manually tracked slamming complaints, in full accordance with the FCC's rules.

Finally, as noted in the prior response, the Applicant has created an internal handbook, *Talk America Regulatory Department Complaint Processes and Policies*, which includes the Applicant's slamming and cramming prevention policies and procedures. Please see *Attachment 7*, which is being filed *under seal*.

With respect to cramming of customers, in addition to its stated policies set forth in *Attachment 7*, the Company fully complies with the federal truth-in-billing policies as well as applicable state billing and cramming regulations.

23. If granted authority to operate as a local exchange carrier, will the applicant abide by the following 83 Illinois Administrative Code Parts: 705, 710, 720, 725, 730, 735, 755, 756, 757, 770, and 772? YES NO (If no, please provide an explanation.)

The Applicant notes, however, that in response to question 3, *supra*, it has requested certain waivers/variances of the Commission's rules.

24. Is Applicant aware that it must file tariffs prior to providing service in Illinois?

YES NO

FINANCIAL

25. Please attach evidence of Applicant's financial fitness through the submission of its most current income statement and balance sheet, or other appropriate documentation of applicant's financial resources and ability to provide service.

Please see *Attachment 8* and *Attachment 1* (Executive Summary).

TECHNICAL

26. Does Applicant utilize its own equipment and/or facilities? YES NO

If YES, please list the facilities Applicant intends to utilize. Also include evidence that Applicant possesses the necessary technical resources to deploy and maintain said facilities:

If NO, which facility provider(s) services does the Applicant intend to use?

Although, for long distance services, the Applicant uses its own Lucent 5ESS-2000 switches connected with leased AT&T digital transmission facilities, to carry most of its long distance traffic, because the Applicant does not own or operate long distance transmission facilities, it is considered a long distance reseller under the Commission's rules.

For local exchange services, the Applicant initially will use unbundled network elements provided by the ILEC, Ameritech Illinois, under an unbundled network platform ("UNE-P") arrangement. Eventually, the Applicant may move to its own facilities-based

network, through which customers in Illinois may be served via UNE facilities connected to a company-provided switch.

27. Please describe the nature of service to be provided (e.g., operator services, internet, debit cards, long distance service, data services, local service, prepaid local service).

Applicant intends to offer both local and long distance services to primarily residential customers in Illinois. These services will include: local dial-tone service and usage, optional calling features and listing services, as well as in- and outbound long distance services. Switched access will be available on a presubscribed basis from equal access originating end offices. Applicant also will offer operator-assisted services and access to 911 services. All services will be available 24 hours a day/7 days per week.

Applicant will offer bundled packages of long distance service and local service, and member-to-member calling discounts that offer economical calling and simplified billing for residential customers. Applicant intends to offer these same services to customers via UNE-P. Applicant's services will be similar to those offered by the ILEC, Ameritech Illinois, and to those offered by Applicant in all states in which it presently operates.

28. Will technical personnel be available at all times to assist customers with service problems?

X YES NO

Please see response to question 20, supra.

29. If Applicant intends to provide payphone service, will the equipment utilized comply with FCC requirements and Finding (9) of the Commission Order entered in Docket No. 84-0442 on June 11, 1986, including, but not limited to: (a) touch dialing; (b) access to 9-1-1 and A0@ operator dialing without use of a coin; (c) rules governing use of payphones by disabled persons; (d) ability to complete local and long-distance calls; (e) unlimited duration for local calls; and (f) a message explaining the telephone's general operations, dialing instructions for emergency assistance, payphone owner's name, method of reporting service problems and method of receiving credit for faulty calls? YES NO

Not applicable. At this time, Applicant does not intend to provide its own payphone service. Should the Applicant in the future decide to offer pay telephone service to customer-owned, coin-operated providers, Applicant will comply with FCC and Commission requirements for COPT phones.



Frances McComb
Vice President of Regulatory Affairs
Talk America Inc.

VERIFICATION

This application shall be verified under oath.

OATH

State of Pennsylvania)
)ss
County of Montgomery)

Frances McComb makes this oath and says that she is Vice President of Regulatory Affairs of Talk America Inc., that she has examined the foregoing Application and that to the best of her knowledge, information, and belief, all statements of fact contained in the said Application are true, and that the Application is a correct statement of the business and affairs of the above-named Applicant in respect to each and every matter set forth therein.

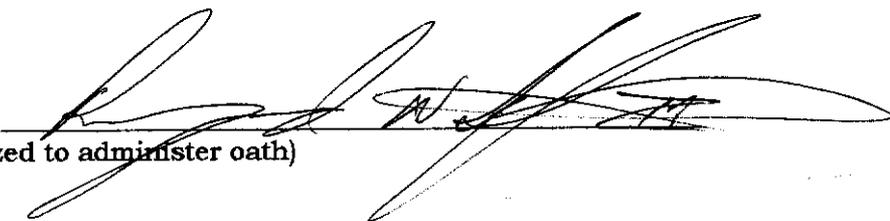


Frances McComb
Vice President of Regulatory Affairs
Talk America Inc.

Subscribed and sworn to before me, a Notary Public

(Title of person authorized to administer oaths)

in the State and County above named, this 13th day of December, 2002



(Signature of person authorized to administer oath)



NOTARIAL SEAL
Raymond W. Stefanack, III, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires January 8, 2006