

Standard Questions for Applicants Seeking Local Exchange Service Authority

1. Is your company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

Yes. Applicant seeks a waiver of 83 Ill. Admin. Code Part 250 to maintain its books and records outside of the State of Illinois. As noted herein, Applicant maintains its books and records at its national headquarters in New Hope, Pennsylvania. To require the Applicant to maintain two separate sets of books would be costly, burdensome and unnecessary. 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.

Applicant also seek a waiver/variance of Parts 710 (please see Appendix C , *infra*, for explanation) and Part 735.180 (please see response to question 4, *supra*, for explanation).

2. Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

Yes. Please note that at this time, Talk America does not provide third-party billing and collection services for pay-per-call services.

3. Will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

Yes.

4. Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

Yes; however, the Applicant has requested a variance with respect to Part 735.180 Directories. As explained in the body of the Application, the Applicant intends to contract with the underlying incumbent local exchange carrier for the provision of directory listings and the distribution of telephone directories to its customers.

See **Attachment 9**, *supra*, for a description of Applicant's collection timeline and drafts of the Applicant's local service suspension and disconnection notices and the Notice to Avoid Shutoff of Service in Event of Illness required by Part 735 Appendix A and B. Upon receipt of its authority to provide local service, Applicant will work with the ICC staff to ensure that its notices fully comply with ICC rules.

See **Attachment 10**, *supra*, for a sample of the Applicant's customer bill format.

5. Who will provide customer repair service for your company?

For repair issues associated with inside wire (on the customer's side of the NID), the Applicant will perform the repair service by contracting with a third party, Urban Telcom. The Applicant presently utilizes this third-party contractor for all inside wire repair and installation work in several other states where it provides local exchange service. For network repair issues, because the Applicant intends to provide local service utilizing the underlying facilities of the incumbent local exchange carrier (e.g., Ameritech), it relies on the incumbent for network repair services. The Applicant will be the customer contact for all repair issues.

6. How many people does the company employ?

Currently, the Applicant employs approximately 1,000 people.

7. Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?

Yes.

8. Will your company solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs?

Yes.

9. Does your company plan on filing to become an Eligible Telecommunications Carrier?

No.

10. Does the company realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier?

Yes.

11. Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?

Yes.

12. Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755, "Telecommunications Access for Persons with Disabilities," 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service," and Sections 13-703 of the Illinois Public Utilities Act?

Yes.

13. Will the company's billing system be able to distinguish between resale and facilities based service for the collection of the ITAC line charge?

Yes.

14. Has your company signed and returned the Universal Telephone Assistance Corporation (UTAC) and the Illinois Telecommunications Access Corporation (ITAC) Applications to Commission staff?

Yes.

15. How does your company plan to solicit customers once it begins to provide local service?

Talk America uses or may use various methods to market its services to the public, including: (1) outbound telemarketing, conducted principally by internal sales staff; (2) inbound telemarketing, in response to television ads, electronic customer sign-ups and referrals; (3) direct mail solicitation, in the form of flyers, coupons and other promotions; (4) internet sales, and (5) an agent/dealer program, which is used in certain states. The Applicant utilizes established solicitation and verification

procedures for all customer sign-ups that are in full compliance with FCC rules and requirements.

16. Has your company provided service under any other name?

Yes. Please see the response to Question 12 in the body of the Application.

17. Have any complaints or judgements been levied against the company? (Instate, out-of-state, or FCC).

Yes. Please see the Applicant's response to Question 11 in the body of the Application and **Attachments 3 and 4**, attached hereto.

Appendix B

9-1-1 Questions for Applicants Seeking Local Exchange Service Authority

1. Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

Yes. Because the Applicant intends to offer local exchange service initially through the purchase of unbundled network elements, including loops, switching, and trunking (UNE-P) from the underlying incumbent local exchange carrier, the Applicant will rely, through contractual agreement, upon the incumbent LEC (Ameritech) to ensure proper routing and handling of 911 traffic, as well as 911 database management and maintenance. If the Applicant subsequently provides local service using its own switching facilities, it will ensure that 911 traffic is handled in accordance with applicable state law and rules.

2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

Yes, to the extent necessary. As noted in response to Question 1 above, the Applicant initially will provide local service using the facilities of the underlying local exchange carrier, and will rely upon that carrier to ensure that 911 traffic from its customers is properly handled. To the extent that it is necessary in the future to coordinate any issues with 911 systems, the Applicant will ensure that it contacts and establishes a relationship with those systems.

3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

Yes.

4. Who will be responsible for building and maintaining the 911 database for your local exchange customers?

Ameritech will maintain and update the 911 database for Applicant's local exchange customers, pursuant to contractual agreement between the parties. When Applicant places an order either to add a new customer or move a customer's line to another location via its Electronic Data Interface (EDI) with Ameritech, the customer information contained in the order is automatically processed through Ameritech's operation support systems to update its 911 database. The Applicant successfully has utilized this method of operation in other Ameritech states where it provides local service, including Michigan, Ohio, and Indiana, and has encountered no significant issues with respect to the 911 database.

5. How often will your company update the 911 database with customer information?

As indicated in response to Question 4, *supra*, when the Applicant places an order with Ameritech via EDI, the customer information contained in the order will automatically be processed through Ameritech's operation support systems to update its 911 database.

6. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?

Yes. Talk America's billing system is able to distinguish between resale and facilities-based customers for the collection of the 911 surcharge.

7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?

Yes. Talk America receives 911 billing statements from the 911 system localities and then remits payments collected from customers to these localities.

8. Will your company's proposal require any network changes to any of the 911 systems?

No.

9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?

Not applicable. Since all switching will be provided using incumbent LEC switch platforms at this time, the existing call box arrangements of the LECs will conform with this rule.

10. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?

Not applicable. Please see response to Question 9, *supra*. However, if the Applicant installs its own switching platform at a future date, it may file for a waiver of these rules at that time.

Financial Questions for Applicants Seeking Local Exchange Service Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

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 Commission rules or amendment of Part 710 that are otherwise applicable to the Applicant.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

Yes.

3. Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes.

4. Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

Yes.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

Yes.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

Yes.

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements for all periods subsequent to granting of the waiver?

Yes, Applicant will provide annual audited statements when required or requested.

8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

Yes.

9. Please attach a copy of applicant's chart of accounts.

Please see *Attachment 10*.

Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority

Not Applicable; the Applicant does not intend to provide prepaid service.

1. Will customers have the ability to sign up with any long distance company they choose?
2. Will customers have the ability to use dial around long distance companies?
3. Does the applicant have interexchange authority in Illinois? If yes, please provide the docket number.
4. Will customers have access to the Illinois Relay Service?
5. Will customers be able to make 1-800 calls for free?
6. Will the Company offer operator services?
7. Please describe how applicant plans to collect the monthly fee to be paid in advance.
8. Will customers' monthly bills show a breakdown of services, features, surcharges, taxes, etc.?
9. Will customers pay an installation fee? If yes, will payment arrangements be offered for the installation fee?
10. Will telephone service be in the Company's name or the customer's name. If in the Company's name how will information appear in data bases, such as 9-1-1, directory assistance, etc.?
11. Will applicant offer prepaid service as a monthly service or as a usage service?
12. Will applicant provide a warning when the remaining value of service is about to cease?
13. Is the customer given more than one notice of the remaining value of service?
14. How much advance notice is given to the customer of the remaining value of service?
15. If the customer is in the middle of a call will they be disconnected when the remaining value of service has expired?
16. Has the customer been made aware of potentially being disconnected during a call when the remaining value of service expires?
17. When does the timing of a call start?
18. If the person called does not answer, is any time deducted from the customer's account?
19. Will there be any other instances in which the Company would disconnect a customer, other than running out of prepaid time?
20. When a customer runs out of time is their phone immediately disconnected or on suspension? (Will they still be able to receive calls?)
21. Are applicant's services available to TTY callers?

22. How will the applicant handle a complaint from a customer who disputes the amount of time used or remaining?
23. The Public Utilities Act requires a local calling area that has no time or duration charges. How will the Company define each customer's untimed local calling area?