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September 19, 2014

Via Electronic Filing and Overnight Mail

Ms. Carlotta S. Stauffer
Director
Office of Commission Clerk Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

**Re: Docket No. 140026 - Petition for Designation as Eligible
Telecommunications Carrier (ETC) by NetTALK.COM, Inc.:**

Response to September 4, 2014 Data Request

Dear Ms. Stauffer:

On behalf of netTALK.COM, Inc. ("NetTALK"), the following provides NetTALK's responses to the September 4, 2014 Data Requests issued by the Florida Public Service Commission Staff. As usual, please do not hesitate to contact me with any questions or concerns regarding these responses.

1. Response: Unlike in Florida, where NetTALK has decided to be regulated as a competitive local exchange carrier ("CLEC"), NetTALK made a decision to be regulated as a VoIP provider in other states. However, NetTALK had already become certificated in many of those states. When it decided to be treated as a non-regulated VoIP provider in those other states, NetTALK merely let those certifications lapse and did not renew them. NetTALK did not have any particular operational or customer-oriented issues in any of these states. The issue was solely that NetTALK did not make the necessary filings to keep its certifications current. Perhaps NetTALK should have affirmatively withdrawn those certifications to streamline the process but it did not do so and let them lapse instead.

NetTALK did not refer to these revocations in response to Question No. 15(e) because NetTALK did not incur any regulatory penalties in connection with the revocations. Item 15(c) is a list of where NetTALK.com Inc. has CLEC certifications. This list was accurate as of the Florida application filing date and several revocations have occurred since that time.

2. Response: NetTALK has had certifications cancelled or revoked in a number of states. Florida was revoked due to failure to stay current on necessary filings and was reinstated on January 1, 2014. The following states were revoked for failure to stay current on necessary filings but NetTALK has not attempted to reinstate them: Arkansas, Nevada, South Dakota, Vermont, Wisconsin, and the District of Columbia.
3. Response: Under all circumstances, NetTALK, if designated as an ETC, will not seek monthly reimbursement in an amount that exceeds the amount billed to the customer. By way of further background, NetTALK does offer telephone service for \$2.50 per month, as advertised. However, NetTALK has plans to offer additional calling plans, including a plan that includes unlimited talk and texting capability for \$24.25 per month. As such, there will be additional services that are priced higher than \$2.50 per month, but in all circumstances NetTALK will only seek reimbursement at or below the customer's monthly invoice amount.
4. Response: If designated as an ETC, NetTALK would collect and pay Florida 911 fees, federal universal service fees, and Florida Relay surcharges.
5. Response: NetTALK does not have any state ETC petitions pending at this time. NetTALK filed first in Florida where it is headquartered and has the greatest concentration of facilities.
6. Response: NetTALK does not serve commercial customers and therefore has no Florida commercial customers. NetTALK is currently serving approximately [Begin Confidential] [redacted] [End Confidential] active residential customers in Florida.
7. Response: NetTALK anticipates that, if it receives ETC designation, it will begin providing Lifeline service in the areas in which it is designated within 30 days. NetTALK does not anticipate any extended or special circumstances.
8. Response: NetTALK has approximately [Begin Confidential] [redacted] [End Confidential] customers nationwide. As a result, NetTALK does periodically receive customer service complaints at the state public service commissions. Because of the reach of NetTALK's business, it is not possible to catalog every complaint here. Complaints are resolved as they come in and, as such, NetTALK does not have comprehensive records to track every complaint. However, the most typical state commission complaints relate to one of two categories: difficulty in porting phone numbers and difficulties in service initiation. As to the former, in most cases NetTALK is able to resolve the issue working with Neustar. When NetTALK is unable to complete a port, NetTALK offers the Customer a refund. Customers also complain that they are unable to initiate service working with a specific modem. NetTALK has published a modem list for the problematic modems with specific guidance to help customers resolve their issues. Nevertheless, customers do not always look at these troubleshooting tips. We are also continually creating firmware updates to help automatically resolve issues as they become known.

9. Response: NetTALK does not have a complex corporate structure. There is publicly traded and has only one company nationwide, netTALK.COM, Inc. NetTALK's corporate officers are as follows:

NetTALK Corporate Officers:

Kyriakides, Anastasios, CEO

Hosfeld, Kenneth, Vice President, Development

Healy, Steven, CFO

Samer, Bishay, President

An organizational chart is also attached hereto as Exhibit A. No officer of NetTALK is a corporate officer of any other telecommunications company.

10. Response: Yes, NetTALK understands that Florida's Lifeline program provides that if a Lifeline customer is no longer eligible for Lifeline, NetTALK, as an ETC, must provide a 30% monthly discount to its local rate to that customer for one year.

11. Response: No, NetTALK does not keep separate books/ledgers for each state in which it operates. NetTALK, Inc. is one publicly traded company and keeps one set of books/ledgers at its headquarters in Miami, Florida.

12. Response: The following is a description of all Lifeline plans that NetTALK will offer to its Lifeline customers in Florida:

netLifeline Offerings:

<u>Plan Description</u>	<u>Retail Price</u>
Active User unlimited Talk & Text	Non-Lifeline \$24.25 Lifeline \$15.00
1000 Minute Talk and 500 Text messages	Non-Lifeline \$9.25 Lifeline Free

All plans include, at no extra charge: Free Handset and/or other interfacing devices; Caller ID; Call Waiting; and Voicemail. Voicemail calls count against the voice minutes provided by the plan.

Prices for the Active User Talk & Text Plan, the 500 Minute Talk (non-Lifeline), and the purchase of additional minutes or the additional text messages do not include taxes or mandatory government fees (where applicable). Although Budget PrePay must pay taxes or government fees in certain states, these taxes or government fees are not assessed to Lifeline customers subscribing to the 1000 minute talk/500 text message Talk plan.

13. Response: The following are the initial and recurring costs that a NetTALK Lifeline customer would incur in Florida:

Initial:	Initial cost of the DUO device:	\$49.95 plus sales tax
	Initial porting charge (ported numbers only):	\$20.00
Recurring:	Annual recurring costs:	\$29.95 per year
	Additional fees and services	\$9.99 per year

14. Response: NetTALK, as a startup company with new systems and employees, has in fact had a series of complaints from the Better Business Bureau (BBB). NetTALK's service is not a traditional phone service but a new and innovative way of delivering service to customers. NetTALK made the decision to be a leader in ultra-low cost VoIP with the best customer service. To do so, we endeavored to build an internal customer service team in Florida, instead of outsourcing to another country or State. NetTALK generally hires Computer Science students from Miami Dade College. We rapidly grew the customer base and had trouble scaling the customer service team in parallel. We have since grown the Customer Service team to improve our response times. We have also hired a dedicated Customer Service representative that is dedicated to respond to every BBB case, among other related items, with a 12-24 hour response time.

netTALK does not seek BBB accreditation. We are committed to providing world class customer service and encourage those with questions or concerns to contact our Customer Care team by dialing 611 from their netTALK device or going here: <http://www.nettalk.com/about/contact/>

15. Response: NetTALK agrees that the statements are not consistent. NetTALK's service will be limited to AT&T, Verizon and CenturyLink service areas and NetTALK is not requesting ETC designation throughout the entire State of Florida.

16. Response: NetTALK's TDM interconnection facilities are leased special access circuits that NetTALK leases from the respective ILECs in each market (e.g., AT&T in Miami and

Verizon in Tampa). NetTALK pays the ILECs monthly charges to maintain these TDM interconnection circuits. NetTALK has publicly filed interconnection agreements with the ILECs in these markets and has the right to order UNEs out of these agreements. NetTALK may also have the right to UNE pricing for its interconnection circuits. However, NetTALK has not yet ordered UNEs from any of the ILECs as of this time.

17. Response: NetTALK has not consulted with the FCC or considered filing for ETC designation at the FCC. NetTALK's current ETC focus is in obtaining ETC designation in Florida. Florida is not one of the states that have declined jurisdiction to issue ETC designation. In addition, ETC applications filed with the FCC in recent years have been in a holding pattern and the FCC has not been granting ETC to many carriers. Applications filed with the FCC can be pending for some time. NetTALK is interested in obtaining its ETC designation and serving Lifeline customers in the near future and not in waiting in line at the federal level.

NetTALK has not considered filing a Compliance Plan with the FCC because only carriers that are not facilities-based are required to file an FCC Compliance Plan. As the FCC stated in its 2012 Report and Order: "The Commission has exercised its statutory authority to forbear from enforcing the facilities requirement of the Act on several non-facilities based wireless resellers so that those wireless resellers may be eligible to be designated as an ETC for participation in the Lifeline program. . . . Each of the orders also requires that the carrier subject to forbearance submit a compliance plan describing how that carrier would comply with the conditions of forbearance."¹ NetTALK has invested heavily in its Florida facilities and, as described in previous correspondence, is facilities-based. As such, NetTALK does not need to seek forbearance or file an FCC Compliance Plan.

18. Response: Attached hereto as Exhibit B is a schematic drawing showing how NetTALK would provision Lifeline service in Florida.

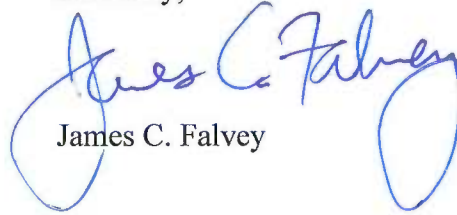
19. Response: As detailed in NetTALK's response to data request 15 above, NetTALK is not requesting to be designated for Lifeline service statewide, but only in the service territories of AT&T, Verizon and CenturyLink. Otherwise, NetTALK has no further updates to its ETC application at this time.

¹ Lifeline Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 11-42, ¶ 382 (rel. Feb. 6, 2012) (citations omitted).

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We appreciate the efforts of Staff and counsel to date to address this application and are available to provide any additional information that may be required. Please do not hesitate to contact me at 202.659.6655 with any questions or concerns relating to this response.

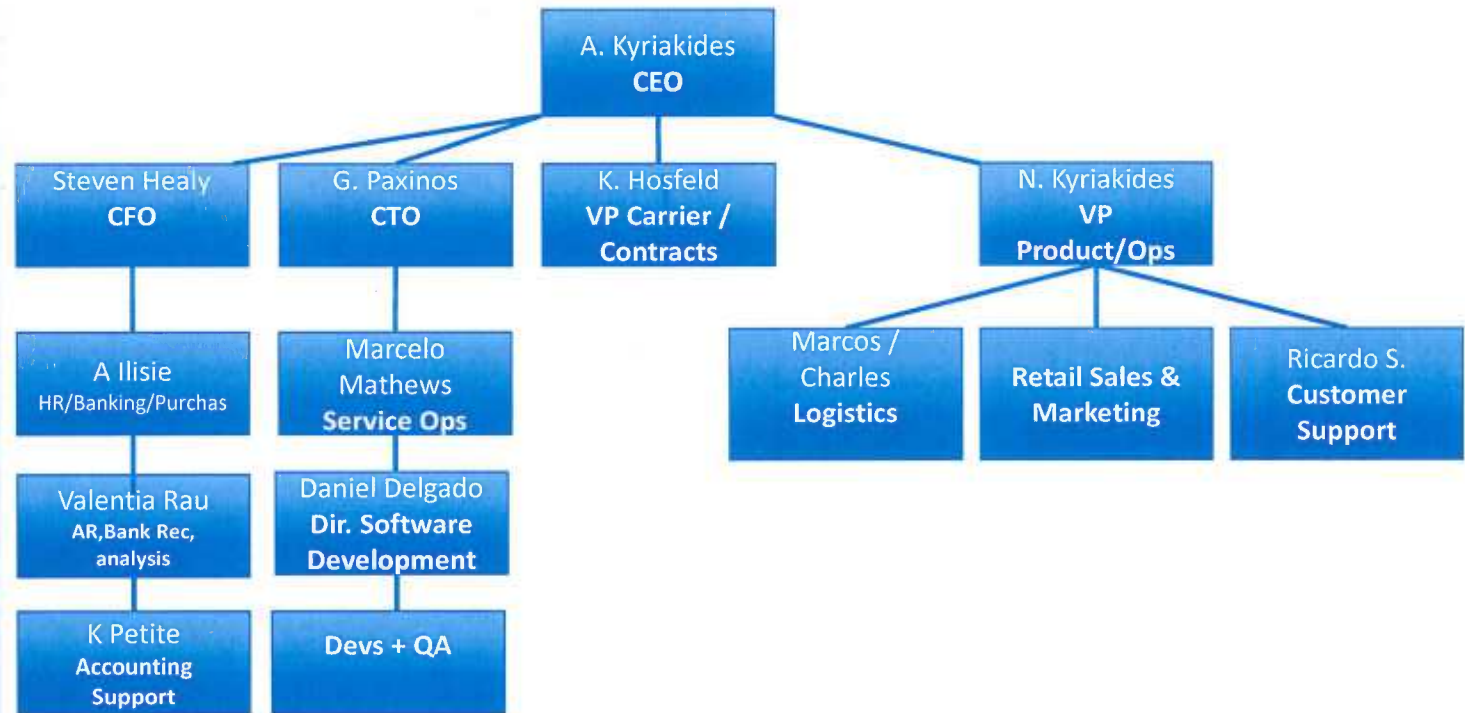
Sincerely,

A handwritten signature in blue ink that reads "James C. Falvey". The signature is written in a cursive style with a large, looping initial "J" and a long, sweeping underline.

James C. Falvey

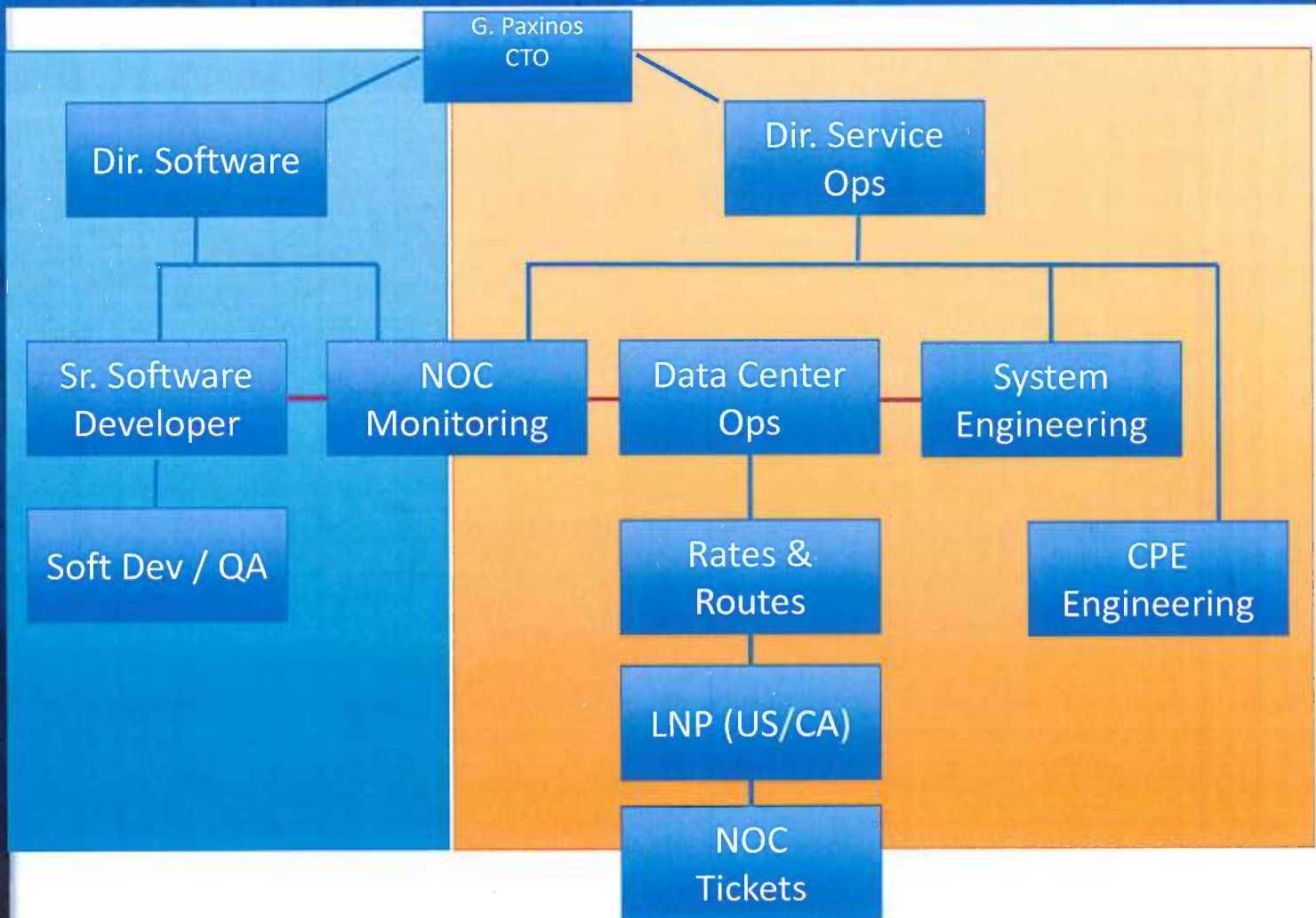
cc: Adam Teizman (via e-mail)
Charles W. Murphy (via e-mail)
Beth Salak (via e-mail)
Bob Casey (e-mail)
Catherine Beard (via e-mail)
Kenneth Hosfeld (via e-mail)
Patrick Hardy (via e-mail)

Exhibit A



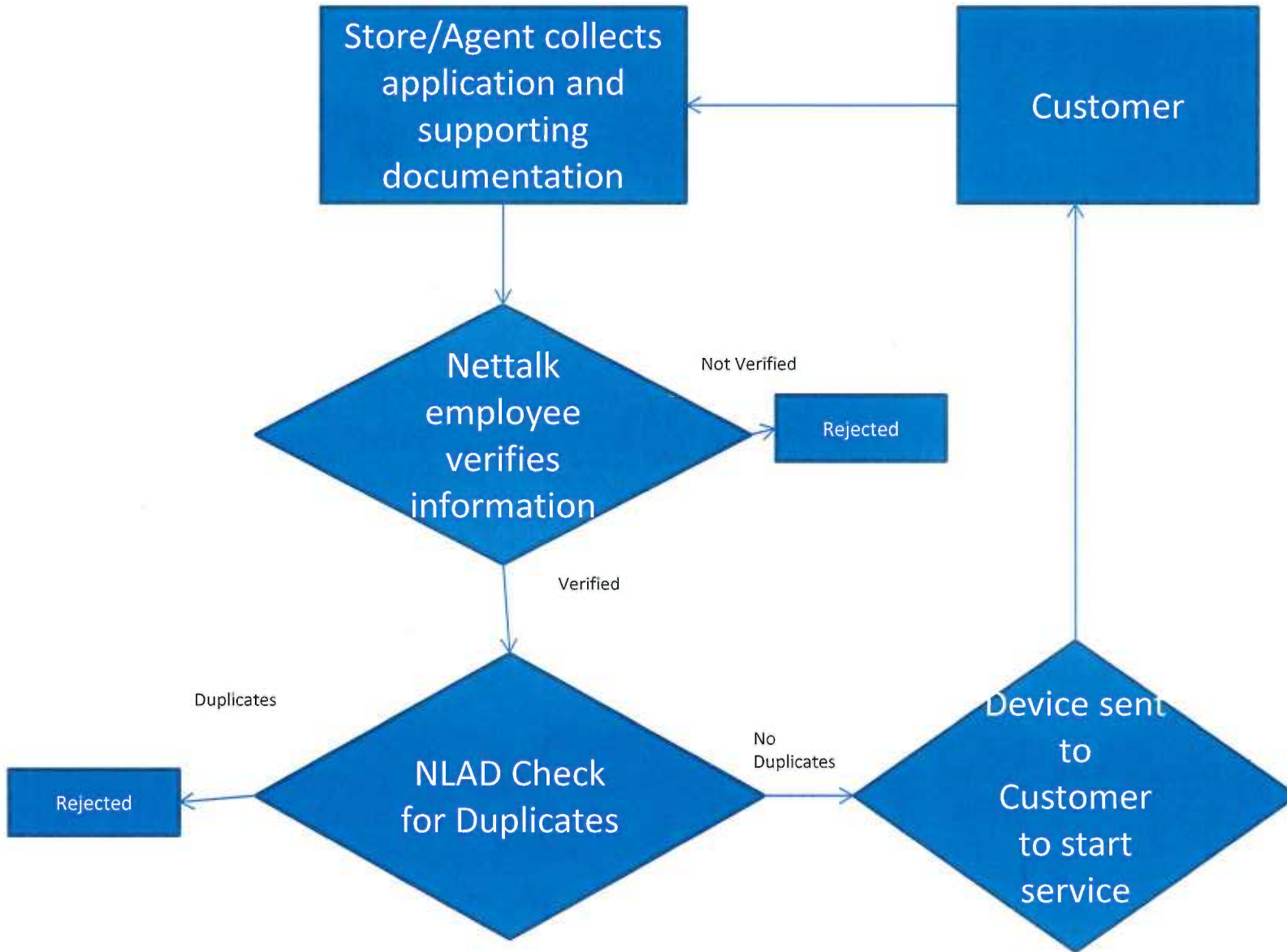
CUSTOMER CENTRIC
LOW COST
SUPERIOR PRODUCT

Service Ops and Dev



CUSTOMER CENTRIC
LOW COST
SUPERIOR PRODUCT

Exhibit B



Activities for which we anticipate using CGM LLC

Lifeline Enrollment:

- End User Identity Verification
- End User Address Validation
- End User Eligibility Verification
- Approved Territory by the State
- Address is Within Carrier Coverage Area
- Intra-Company Duplicate Check
- Inter-Company Duplicate Check
- One Per Household Certification
- Confirmation of Active Account
- 60-Day “Usage” Confirmation

Form 497 Optimization and Calculation & Audit Support

Compliance Infrastructure Development