

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and
Modernization

Telecommunications Carriers Eligible to
Receive Universal Service Support

New Talk, Inc.

WC Docket No. 11-42

WC Docket No. 09-197

COMPLIANCE PLAN OF NEW TALK, INC. (NEW TALK)

New Talk, Inc. (“New Talk” or the “Company”) through its undersigned counsel, hereby seeks to avail itself of the Federal Communications Commission’s (“Commission”) grant of forbearance from the “own facilities” requirement set forth in 47 U.S.C. § 214(e)(1)(A) by submission of this Compliance Plan.¹ New Talk’s Compliance Plan is filed in accordance with the procedures established in the *Lifeline Reform Order*² and clarified in the *Public Notice* issued by the Wireline Competition Bureau on February 29, 2012.³

¹ Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirement of section 214(e)(1)(A) for purposes of the federal Lifeline program, the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission’s Lifeline rules and this Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income Fund, including in any state where the public utilities commission determines that New Talk provides service using its own facilities for purposes of a state universal service program.

² *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

³ Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order, Public Notice, DA 12-314 (rel. Feb. 29, 2012) (“Public Notice”).

New Talk respectfully requests expeditious approval of its Compliance Plan so that the Company may continue to provide essential Lifeline service to eligible low-income customers in states where it has been designated an eligible telecommunications carrier (“ETC”) and so that it may provide service to additional eligible low-income consumers in the various states for which it may file ETC petitions.

As set forth below, New Talk will fully comply with all conditions set forth in the Commission’s recently amended Lifeline rules and with all pertinent conditions set forth in the *Lifeline Reform Order*. This Compliance Plan describes the measures New Talk has already implemented or intends to implement to achieve full compliance with the Commission’s Lifeline rules and policies. For the convenience of the Commission, this Compliance Plan follows the format established by the Wireline Competition Bureau in the *Public Notice*.

I. INFORMATION ABOUT NEW TALK AND THE LIFELINE PLANS IT OFFERS

A. Company Information

New Talk, Inc. is a Texas corporation, with headquarters in Fort Worth, Texas. The Company’s President is Byron Young. The Company has no subsidiaries and operates under the name “New Talk.” Mr. Young also has indirect ownership interests in Express Cash and Phone, Inc. db/a Talk Now Telco, which is a competitive local exchange carrier designated as an ETC in Texas; Assist Wireless, LLC which is a competitive local exchange carrier designated as an ETC in Arkansas, Maryland, Missouri, and Oklahoma; and Telecom Ventures, LLC, which is a competitive local exchange carrier in New York and Oklahoma.

B. New Talk's Financial and Technical Capabilities to Provide Lifeline Service

New Talk was designated as a wireline ETC and Eligible Telecommunications Provider in the state of Texas on May 23, 2005⁴ in the SBC Texas (aka AT&T Texas) certificated service area.⁵ The Company has been providing wireline Lifeline services in Texas since for several years and is an experienced provider of Lifeline service to thousands of Texas residents. The Company currently serves approximately 13,000 Lifeline customers in Texas. New Talk did not seek, and will not accept, High Cost support in any of the states for which it has been designated an ETC or for which it has a pending ETC application.

New Talk is financially stable and fully capable of honoring its service obligations to customers, as well as federal and state regulatory obligations. Although New Talk derives revenues from the sale of Lifeline services, the Company does not rely exclusively on USF disbursements to operate. The Company has access to the financial resources of its parent company Ambient Ventures, LLC. Consequently, New Talk has not relied, and will not be relying exclusively on Lifeline reimbursements for its operating revenues. Finally, New Talk has not been subject to any enforcement action or ETC revocation proceeding in any state.

⁴ New Talk was granted this designation under the name Connect Paging, Inc. dba Get a Phone. The Company's name was changed to New Talk and approved by the Public Utility Commission of Texas in PUC Docket No. 36081 on October 3, 2008.

⁵ New Talk also has ETC designations in Alabama and Kentucky.

C. Geographic Area of New Talk's Service Offerings

New Talk is a wireline Lifeline-only ETC designated as such by the Public Utility Commission of Texas in the study areas of SBC Texas (aka AT&T Texas) and, specifically, in AT&T Texas wire centers identified in the application in Texas PUC Project No. 33524.⁶

D. New Talk's Lifeline Service Plans

Exhibit 1 to this Compliance Plan contains the Company's Lifeline offerings.

E. Other Certifications Required by 47 C.F.R. § 54.202

The *Public Notice* requires carriers to include certifications required under newly amended 47 C.F.R. § 54.202. New Talk hereby certifies that it complies with the service requirements applicable to the support it receives.⁷ Specifically, New Talk's Lifeline services: (i) include voice telephony services that provide voice grade access to the public switched network or its functional equivalent; (ii) provide subscribers with a defined number of minutes of usage for local service at no additional charges (as described above in Section I(D)); (iii) provide subscribers with access to the emergency services provided by local government or other public safety organizations, such as 911/E911, to the extent the local government in New Talk's service area has implemented 911/E911 systems (as described below in Section III); and (iv) toll limitation for qualifying low-income consumers.⁸

⁶ New Talk was granted this designation under the name Connect Paging, Inc. dba Get a Phone. The Company's name was changed to New Talk and approved by the Public Utility Commission of Texas in PUC Docket No. 36081 on October 3, 2008.

⁷ 47 C.F.R. § 54.202(a)(1)(i).

⁸ 47 C.F.R. § 54.101(a); Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. New Talk commits to meeting this requirement by offering service on a prepaid, or pay-as-you-go, basis. Moreover, New Talk's calling plans will include unlimited nationwide long distance, so no customer will have their service turned off or see additional charges for long distance calling. New Talk will provide this toll control to qualifying low-income consumers at no additional charge.

II. NEW TALK'S PLANS FOR COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES

New Talk complies with the requirements pertaining to consumer qualifications for Lifeline set forth in new section 54.409 of the Commission's rules⁹ and any state-specific requirements in the various states in which New Talk has been (or will be) designated an ETC. More specifically, New Talk requires all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance programs listed in new 47 C.F.R. § 54.409(a)(2) or 47 C.F.R. § 54.409(a)(3). New Talk also confirms that the subscriber is not already receiving a Lifeline service and that no one else in the subscriber's household is subscribed to a Lifeline service.

Section 54.410(b)(1) of the FCC's rules states that, when complying with the requirement to determine a subscriber's initial eligibility for participation in the Lifeline program, an ETC may rely on the determination of a state agency or administrator if that agency or administrator is responsible for the initial determination of a Lifeline subscriber's eligibility. In Texas a single administrator, Solix, Inc. ("Solix"), has been designated determine consumers' eligibility for Lifeline service. Accordingly, New Talk will rely on these determinations in its provision of Lifeline services in Texas.

A. New Talk's Procedures to Determine Consumer Eligibility for the Lifeline Program

If New Talk cannot determine an applicant's eligibility for Lifeline by accessing income or program eligibility databases, New Talk personnel (either employees or third party customer service representatives) will review documents to establish eligibility in accordance with the

⁹ 47 C.F.R. § 54.409.

criteria set forth in 47 C.F.R. §§ 54.409, 54.410. All New Talk personnel who interact with existing Lifeline customers or Lifeline applicants will be fully trained on the Commission's revised Lifeline eligibility rules and New Talk's practices and policies designed to implement these new rules.

New Talk follows the Commission's requirements pertaining to acceptable documentation to establish eligibility based either on income level or participation in a qualified government assistance program, unless otherwise established by a state Lifeline administrator or other state agency.¹⁰ Specifically, acceptable documentation of program eligibility includes: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice or letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (*e.g.*, the consumer's Supplemental Nutrition Assistance Program ("SNAP") electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.¹¹

Acceptable documentation of income eligibility includes: (1) the prior year's state, federal, or Tribal tax return; (2) current income statement from an employer or paycheck stub; (3) a Social Security statement of benefits; (4) a Veterans Administration statement of benefits; (5) a retirement/pension statement of benefits; (6) an Unemployment/Workers' Compensation statement of benefit; (7) federal or Tribal notice letter of participation in General Assistance; (8) or a divorce decree, child support award, or other official document containing income

¹⁰ See USAC Guidance available at <http://www.usac.org/li/telecom-carriers/step06/default.aspx>.

¹¹ 47 C.F.R. § 54.410(c)(1)(i)(B).

information.¹² If the prospective subscriber presents New Talk with documentation of income that does not cover a full year, the prospective subscriber must present the same type of documentation covering three consecutive months within the previous twelve months.¹³

New Talk personnel examines and records the type of documentation presented by each prospective Lifeline subscriber, but does not retain copies of these documents unless required by a state.¹⁴ If an applicant is unable to provide documentary proof of eligibility based on either household income level or current participation in a qualified program, New Talk will deny that application.

The Texas Lifeline program is administered by Solix which conducts the initial eligibility and subsequent verification of a consumer's eligibility for participation in the Lifeline program. Applicants contact New Talk to request service and, after collecting limited information including the applicant's name, address and date of birth, New Talk directs the applicants to LiteUp Texas, a program administered by Solix, to apply for participation in the Lifeline program. Each month, New Talk provides applicant information to Solix. Solix then identifies which consumers are eligible for Lifeline and sends a file to New Talk detailing which of the Company's applicants are eligible to receive Lifeline discounts.¹⁵ New Talk relies on the subscriber eligibility determinations of Solix to comply with its obligation to satisfy subscriber Lifeline eligibility requirements.

¹² 47 C.F.R. § 54.410(b)(1)(i)(B).

¹³ *Id.*

¹⁴ 47 C.F.R. § 54.410(b)(1)(ii) - (iii); 47 C.F.R. § 54.410(c)(1)(ii)-(iii).

¹⁵ *See, e.g.,* Solix, Inc.'s Comments in Response to the Federal Communications Commission Notice of Proposed Rulemaking, WC Docket Nos. 11-42, 03-109 and CC Docket No. 96-45, at 2-3 (filed April 21, 2011).

B. New Talk's Procedures for Subscriber Certifications

In the *Lifeline Reform Order*, the Commission established a path for a transition to a national database that will be used to confirm the initial and continued eligibility of a Lifeline customer.¹⁶ New Talk will utilize that database when it becomes operational. Until that time, however, New Talk will continue to use any relevant state databases where available, and will otherwise adhere to the following procedures for enrolling prospective customers into the Lifeline program.

New Talk will implement certification procedures that will enable prospective customers to demonstrate their eligibility by contacting New Talk either in person or by sending proof by mail telephone, facsimile or by e-mail.

Except in states in which applicants are enrolled through a designated state agency, New Talk will have direct contact with all prospective customers applying for Lifeline service, either in person through its employees or third party representatives, or by telephone, facsimile or over the Internet. Almost all of New Talk's enrollments are currently completed online or by telephone.

New Talk sets up enrollment operations with permission at public events and in local neighborhood parking lots or street corners where eligible Lifeline customers are likely to be located. In addition, the Company has worked closely with government agencies and Tribal authorities to set up New Talk enrollment information stations at such locations. This includes public housing locations and food stamp offices. Finally, New Talk offers service and enrolls customers at various storefronts.

¹⁶ See *Lifeline Reform Order*, ¶ 403.

Prospective customers who do not complete New Talk's Lifeline Application in person must return the signed document and eligibility documentation to New Talk by mail, facsimile, electronic mail or other electronic transmission. New Talk accepts electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001-7006 and any applicable state laws.¹⁷

Every prospective subscriber, except in states where a state Lifeline administrator is responsible for the initial determination of a subscriber's eligibility, is required to complete New Talk's "Lifeline Application." A sample of the Application form is attached hereto as Exhibit 2. The Company's Lifeline Application form conforms to the subscriber certification requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410. New Talk has also included in Exhibit 2 a copy of its income eligibility worksheet that will be used for applicants to demonstrate eligibility based on income.

New Talk collects the following information from prospective subscribers in its Lifeline Application forms: (1) the subscriber's full name; (2) the subscriber's full residential address (P.O. Boxes are not permitted); (3) whether the residential address is permanent or temporary; (4) the subscriber's billing address, if different; (5) the subscriber's date of birth; (6) the last four digits of the subscriber's Social Security number (or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number); (7) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (8) if the subscriber is seeking to qualify for Lifeline under the

¹⁷ 47 C.F.R. § 54.419.

income-based criterion, the number of individuals in his or her household.¹⁸ The applicant must also authorize the Company to release any records required for the administration of the Company's Lifeline credit program, including to USAC, to be used in a Lifeline program database.¹⁹

In accordance with 47 C.F.R. § 54.410(d), in its Lifeline Applications, New Talk requires all Lifeline applicants to certify, under penalty of perjury, that: (1) the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline; (2) the subscriber will notify New Talk within 30 days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit; (3) if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that he or she lives on Tribal lands; (4) if the subscriber moves to a new address, that he or she will provide that new address to New Talk within 30 days; (5) if the subscriber provided a temporary residential address to New Talk, the subscriber will verify his or her temporary residential address every 90 days; (6) the subscriber's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is not already receiving a Lifeline service; (7) the information contained in the subscriber's application/certification form is true and correct to the best of the subscriber's knowledge; (8) the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the subscriber acknowledges that he or she may be required to re-certify his or her continued

¹⁸ 47 C.F.R. § 54.410(d)(2).

¹⁹ See 47 C.F.R. § 54.409(b)(9).

eligibility for Lifeline at any time, and that his or her failure to re-certify as to continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits.²⁰

In accordance with 47 C.F.R. § 54.410(d)(1), New Talk's Lifeline Application discloses the following information: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program; (2) only one Lifeline service is available per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result in the subscriber's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.²¹

Finally, in accordance with 47 C.F.R. § 54.405(c), New Talk's Lifeline Application indicates, using easily understood language, (1) that New Talk's low- income targeted service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.²²

New Talk will utilize the national database when it becomes operational unless Texas provides a valid certification regarding its database pursuant to Section 54.404(a) of the

²⁰ 47 C.F.R. § 54.410; *also see* Exhibit 2.

²¹ *Id.*

²² *See Lifeline Reform Order*, 275; 47 C.F.R. § 54.405(c).

Commission's rules. Until that time, however, New Talk relies on the initial and continued Lifeline eligibility verifications conducted by the Texas USF administrator.²³

In addition to administering the Lifeline eligibility confirmation and enrollment process, Solix conducts semiannual verifications of Lifeline subscribers' continued eligibility for participation in the Lifeline program. New Talk relies on Solix's determination of a subscriber's continued eligibility to satisfy the Company's requirement to confirm initial and continued eligibility of Lifeline subscribers.

C. New Talk's Procedures for Annual Verification of Lifeline Customers

The *Lifeline Reform Order* and 47 C.F.R. § 54.410(f), require ETCs to annually re-certify all of its Lifeline subscribers by either (1) querying the appropriate eligibility or income databases, confirming that the subscriber continues to meet the program- or income-based eligibility requirements for Lifeline and documenting the results of that review, or (2) obtaining a signed certification from the subscriber that meets the certification requirements set forth in 47 C.F.R. § 54.410(d).

ETCs are not required to conduct this annual re-certification in states where a state lifeline administrator is responsible for re-certifications of subscriber Lifeline eligibility.²⁴ In addition to administering the Lifeline eligibility confirmation and enrollment process in Texas, Solix conducts semiannual verifications of Lifeline subscribers' continued eligibility for participation in the Lifeline program. New Talk relies on Solix's determination of a subscriber's continued eligibility to satisfy the Company's requirement to confirm initial and continued

²³ 47 C.F.R. §§ 54.410(b)(1), 54.410(f)(1).

²⁴ 47 C.F.R. § 54.410(f)(1).

eligibility of Lifeline subscribers. New Talk will rely on any notice from Solix that a customer has failed to meet the re-certification requirements and should be de-enrolled.

III. NEW TALK'S PLANS FOR COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS

New Talk's existing practices comply with the 911/E911 access conditions set forth in paragraph 373 of the *Lifeline Reform Order*. Specifically, New Talk currently provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated. New Talk is aware that applicants for forbearance are required to provide its Lifeline subscribers with E911-compliant handsets and replace, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services. This handset requirement is not applicable to New Talk's wireline services. New Talk's existing practices currently provide access to 911 and E911 services and commits to continue these practices going forward.

New Talk provides its Lifeline customers with access to 911 and E911 services immediately upon activation of service. The Commission and consumers are hereby assured that all Company customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available using the Company's services at all times until service is disconnected.

New Talk provides access to 911 and E911 services for all customers. The Company uses AT&T as its underlying network provider/carrier pursuant to its interconnection agreement with AT&T. AT&T routes 911 calls from New Talk's customers in the same manner as 911 calls from their own retail customers.

IV. NEW TALK'S PLANS FOR COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM

New Talk's marketing materials²⁵ for its Lifeline services state in clear, easily understood language: (1) that the service is supported by Lifeline; (2) that Lifeline is a government assistance program; (3) that the service is non-transferable; (4) that only eligible consumers may enroll in the program; (5) that the program is limited to one discount per household; (6) that documentation is necessary for enrollment; and (7) the Company's Lifeline Application states that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program the benefit is limited to one per household and is non-transferable.²⁶ New Talk also discloses its name on all marketing materials.²⁷ *See* Exhibit 3.

V. NEW TALK'S PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS

New Talk shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. Accordingly, New Talk commits to implementing a variety of measures and procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual.

Prevention of Duplicates within New Talk's Subscriber Base. In Texas, New Talk relies on the determinations of Solix regarding a customer's eligibility for participation in the Lifeline program, including any determination that a customer's service address is not already

²⁵ "Marketing materials" includes, but is not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. *See Lifeline Reform Order* at ¶ 276; 47 C.F.R. § 54.405(c).

²⁶ *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(c).

²⁷ 47 C.F.R. § 54.405(d).

receiving Lifeline service. Solix's review and determination of a subscriber's eligibility helps prevent New Talk from providing duplicate service to a Lifeline applicant.

At the time of initial sign up of a new subscriber, the subscriber's service address is validated for accuracy against the USPS ("United States Postal Service") database and saved in the USPS-approved format, which permits New Talk's subscriber database to more accurately prevent duplicates by preventing variations of the same address from appearing multiple times in the database. Once the address is validated for accuracy and format, it is checked against addresses for all New Talk Lifeline customers. If an existing New Talk subscriber is receiving service at the same address, New Talk's system will not permit any order for Lifeline service to proceed unless the customer completes the process described below. If the applicant lives at an address with multiple households, the Company requires the applicant to complete and submit the written USAC document containing the following: (1) an explanation of the Commission's one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant's household and share in the household's expenses or benefit from the applicant's income, pursuant to the Commission's definition; and (4) the penalty for a consumer's failure to make the required one-per-household certification (*i.e.*, de-enrollment).²⁸

New Talk also conducts additional checks to ensure that the same household is not receiving more than one Lifeline service by checking its database for the same subscriber name, date of birth and the last four digits of the person's social security number. Moreover, all orders for Lifeline service areas subjected to a secondary USPS accuracy and format check the

²⁸ See *Lifeline Reform Order*, ¶ 78. The USAC worksheet is available at <http://www.usac.org/li/tools/news/default.aspx#582>.

following day. Any corrections needed as a result of the secondary check, such as correcting address format, are promptly entered into New Talk's system. New Talk also conducts real-time scans of its internal subscriber database to flag any duplicate addresses, dates of birth, etc. in addition to conducting manual reviews of its subscriber lists prior to filing its FCC Form 497s in order to ensure that it does not claim subsidies for any duplicate addresses.

Service Activation and Non-Usage Policy. New Talk assesses and collects a monthly fee from each wireline subscriber. Customers must pay the fee each month for the services they select and service will be disconnected if the fee is not paid. Customers can make payments at retail store locations online, by mail or by telephone. Consequently, New Talk has a regular billing relationship with its Lifeline subscribers and the service activation and non-usage requirements will not apply.²⁹

One Per Household Rule. New Talk will implement policies and practices in accordance with the Commission's rules and the *Lifeline Reform Order* to ensure that it provides only one Lifeline service per household. As described above, New Talk has already implemented procedures to ensure that New Talk itself only provides one Lifeline service per household.³⁰ When the National Lifeline Accountability Database becomes available, New Talk will fully comply with the requirements of 47 C.F.R. § 54.404 and will utilize the database to determine if an applicant is currently receiving Lifeline service from another carrier or if another person residing at the applicant's residential address is receiving Lifeline service. In Texas, New

²⁹ See *Lifeline Reform Order*, ¶¶ 257, 263. See also, 47 C.F.R. 54.407(c)

³⁰ A "household" is any individual or group of individuals who are living together at the same address as one economic unit. A household may include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to and sharing in the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him/her, both people shall be considered part of the same household. Children under the age of eighteen living with their parents or guardians are considered to be part of the same household as their parents or guardians. See *Lifeline Reform Order*, ¶ 74; section 54.400(h).

Talk relies on Solix’s subscriber review and eligibility determinations when offering service to Lifeline subscribers.

New Talk personnel emphasize the “one Lifeline phone per household” restriction in their direct sales contacts with potential customers. Training materials include a discussion of the limitation to one Lifeline phone per household, and the need to ensure that the customer is informed of this restriction. All customer-facing employees and agents must demonstrate understanding of the Commission’s and New Talk’s rules and policies by completing the Company’s Lifeline training.

Finally, if New Talk has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, for example, due to a violation of the one-per-household rule, New Talk will initiate its termination process in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(1).

Company Reimbursements from the Fund. To ensure that the Company does not seek reimbursement from the Fund without a subscriber’s consent, New Talk will certify, as part of each reimbursement request, that it is in compliance with all of the Commission’s Lifeline rules and, to the extent required, has obtained valid certification and verification forms from each of the subscribers for whom it is seeking reimbursement.³¹ In Texas, New Talk will confirm with Solix that Solix has obtained valid certification and verification forms from each of the subscribers for whom New Talk is seeking reimbursement.³² The Company will submit its FCC Forms 497 by the eighth day of each month in order to be reimbursed the same month.³³ In

³¹ See *Lifeline Reform Order*, ¶ 128; 47 C.F.R. § 54.407(d).

³² See *id.*

³³ See *Lifeline Reform Order*, ¶¶ 302-306.

addition, the Company will keep accurate records as directed by USAC³⁴ and as required by new section 54.417 of the Commission's rules.

Annual Company Certifications. New Talk will submit an annual certification to USAC, signed by a Company officer under penalty of perjury, that the Company: (1) has policies and procedures in place to review consumers' documentation of income- and program-based eligibility and ensure that its Lifeline subscribers are eligible to receive Lifeline services;³⁵ (2) is in compliance with all federal Lifeline certification procedures;³⁶ and (3) has obtained a valid certification form for each subscriber for whom the carrier seeks Lifeline reimbursement.³⁷

In addition, the Company will provide the results of its annual recertifications/verifications on an annual basis to the Commission, USAC, the applicable state commission and the relevant Tribal governments (for subscribers residing on Tribal lands).³⁸ In Texas, New Talk relies on Solix to provide the results of Solix's annual recertifications/verifications on an annual basis to the Commission, USAC, the applicable state commission and the relevant Tribal governments (for subscribers residing on Tribal lands).³⁹

The Company will also annually report to the Commission, USAC, and relevant state commissions and the relevant authority in a U.S. territory or Tribal government as appropriate,⁴⁰

³⁴ See 47 C.F.R. § 54.407(e).

³⁵ See *Lifeline Reform Order*, ¶ 126; 47 C.F.R. §54.416(a)(1). For its Lifeline operations in Texas, New Talk's certification will rely on information obtained from Solix.

³⁶ See *Lifeline Reform Order*, ¶ 127; 47 C.F.R. §54.416(a)(2).

³⁷ See 47 C.F.R. §54.416(a)(3). For its Lifeline operations in Texas, New Talk's certification will rely on information obtained from Solix.

³⁸ See *Lifeline Reform Order*, ¶¶ 132, 148; 47 C.F.R. §54.416(b).

³⁹ See *Lifeline Reform Order*, ¶¶ 132, 148; 47 C.F.R. §54.416(b).

⁴⁰ See 47 C.F.R. §54.422(c).

the company name, names of the company's holding company, operating companies and affiliates, and any branding (such as a "dba" or brand designation) as well as relevant universal service identifiers for each entity by Study Area Code.⁴¹ The Company will report annually information regarding the terms and conditions of its Lifeline plans for voice telephony service offered specifically for low-income consumers during the previous year, including the number of minutes provided and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.⁴² Finally, the Company will annually provide detailed information regarding service outages in the previous year, the number of complaints received and certification of compliance with applicable service quality standards and consumer protection rules, as well as a certification that the Company is able to function in emergency situations.⁴³

Cooperation with State and Federal Regulators. New Talk has cooperated and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse. More specifically, the Company will:

- Make available state-specific subscriber data, including the names and addresses of Lifeline subscribers, to USAC and to each state public utilities commission where the Company operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;⁴⁴
- Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;

⁴¹ See *Lifeline Reform Order*, ¶¶ 296, 390; 47 C.F.R. §54.422(a).

⁴² See *Lifeline Reform Order*, ¶ 390; 47 C.F.R. §54.422(b)(5).

⁴³ See *Lifeline Reform Order*, ¶ 389; 47 C.F.R. §54.422(b)(1)-(4).

⁴⁴ The Company anticipates that the need to provide such information will sunset following the implementation of the national duplicates database.

- Promptly investigate any notification that it receives from the Commission, USAC, or a state commission to the effect that one of its customers already receives Lifeline services from another carrier; and
- Immediately de-enroll any subscriber whom the Company has a reasonable basis to believe⁴⁵ is receiving Lifeline-supported service from another ETC or is no longer eligible – whether or not such information is provided by the Commission, USAC, or a state commission.

VI. CONCLUSION

New Talk submits that the foregoing Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*, the *Public Notice* and the Commission's rules pertaining to Lifeline. Accordingly, New Talk respectfully requests expeditious approval of this Compliance Plan so that New Talk may continue to provide essential Lifeline service to eligible low-income customers in states where it has previously been designated an ETC and may provide service to additional eligible low-income consumers in the various states for which it may have pending ETC petitions.

Respectfully submitted,



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July 2, 2012

⁴⁵ See 47 C.F.R. § 54.405(e)(1).

Exhibit 1

Lifeline Offerings

Lifeline Service Offerings

Plan Description	Retail Price
BRONZE Service	\$32.49 -- No Features
SILVER Service	\$37.49 – Includes Call Waiting & Caller ID
GOLD Service	\$40.49 – Includes 3 Way Calling, Speed Calling, Selective Call Forwarding, Priority Call, Caller ID, Call Waiting ID, Call Waiting, Call Return, Call Forwarding & Call Blocker

Non-recurring Activation\Connection Fee, Transfer Fee, or Conversion Fee charge applies on all packages.

All rate packages (Bronze, Silver, and Gold) include New Talk Unlimited Nationwide 800 Access Long Distance*.

*New Talk Unlimited Nationwide 800 Access Long Distance is included in all New Talk Bronze, Silver, and Gold local service plans. New Talk Unlimited Nationwide 800 Access Long Distance plans are for residential customers using normal residential long distance usage patterns (approximately 300 minutes a month), non-business use only, and cannot be used for long distance or local toll access to the Internet or for business purposes such as telemarketing, auto-dialing, or commercial or broadcast facsimile (FAX) where any of these calls would be long distance or local toll calls. New Talk Unlimited Nationwide 800 Access Long Distance may be accessed by dialing a toll free number. If plan is used for unauthorized purposes, or if qualifying services are removed from the account, the Company may immediately suspend, restrict or cancel the Customer's Service. New Talk Nationwide 800 Access Long Distance is not a 1 plus toll long distance toll product. Access to 1 plus interexchange carriers may be blocked by New Talk based on defined criteria.

Exhibit 2

Sample Lifeline Application Form

New-Talk



[State] Wireline Lifeline Service Application and Certification

Mail or fax form completed and signed form to:

P.O. Box 470458 Fort Worth, Texas 76147

Fax NNN-NNN-NNNN/Customer Service: 800-747-6252

A complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in New Talk, Inc. 's ("the Company's") Lifeline service program in your state. This Certification is only for the purpose of verifying your eligibility for Lifeline service and will not be used for any other purpose. Service requests will not be processed until this Form has been received and verified by Company.

One Lifeline service per household disclosures: Lifeline is a government assistance program and willfully making false statements to obtain a Lifeline benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline benefits are limited to a single line of service per household. A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. A household may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both and you cannot receive Lifeline benefits from multiple providers. Note that not all Lifeline services are currently marketed under the name Lifeline. Lifeline is a non-transferable benefit and you may not transfer your benefit to any other person, including another eligible low-income consumer. Violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's rules and will result in your de-enrollment from the program, and potentially prosecution by the United States Government.

I hereby certify that I have read and understood the disclosures listed above and that, to the best of my knowledge, my household is not already receiving a Lifeline service benefit.

Customer eligibility certification: I hereby certify that I participate in at least one of the following programs (check one):

- | | |
|---|--|
| <input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP) | <input type="checkbox"/> Income at or below 135% of Federal Poverty Guidelines |
| <input type="checkbox"/> Section 8 Federal Public Housing Assistance (FPHA) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) |
| <input type="checkbox"/> Medicaid (not Medicare) | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA) |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> Tribally Administered TANF (TATNF) |
| <input type="checkbox"/> Temporary Assistance for Needy Families (TANF) | <input type="checkbox"/> Head Start (meeting income qualifying standards) |
| <input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) | <input type="checkbox"/> Head Start (meeting income qualifying standards) (Tribal) |
| <input type="checkbox"/> National School Lunch Program's free lunch program | |

Tribal eligibility:

I hereby certify that I reside on Federally-recognized Tribal lands.

Customer Application Information:

First Name: _____ Middle Name: _____ Last Name: _____
Date of Birth: Month: ___ Day: ___ Year: _____ Last Four Digits of Social Security Number (or Tribal ID Number): _____
If Qualifying for Lifeline by Income, number of Individuals in Household: _____
Home Telephone Number (if available): _____

Residential Address (P.O. Box NOT sufficient)

Number: _____ Apt: _____ Street _____ City _____
State: _____ Zip Code: _____
Address is (choose one): Permanent Temporary

Billing Address (if different from Residential Address) (P.O. Box IS sufficient)

Number: _____ Apt: _____ Street _____ City _____
State: _____ Zip Code: _____

Multiple households sharing and address:

I hereby certify that I reside at an address occupied by multiple households, including adults who do not contribute income to my household and/or share in my household's expenses, and I will complete a separate additional form.

Authorizations:

- I hereby authorize the Company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program. I also authorize the Company to release any records required for the administration of the Lifeline program (e.g., name, telephone number and address), including to the Universal Service Administrative Company, to be used in a Lifeline database and to ensure the proper administration of the Lifeline Program. Failure to consent will result in denial of service.

Additional certifications: I hereby certify, under penalty of perjury, that (check each box):

- I meet the income-based or program-based eligibility criteria for receiving Lifeline service and have provided documentation of eligibility if required
- I will notify the Company within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based eligibility criteria, I begin receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit. I understand that I may be subject to penalties if I fail to follow this requirement
- I am not listed as a dependent on another person's tax return (unless over the age of 60)
- The address listed below is my primary residence, not a second home or business
- If I move to a new address, I will provide that new address to the Company within 30 days
- If I provided a temporary residential address to the Company, I will verify my temporary residential address every 90 days
- I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law
- I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and my failure to re-certify as to my continued eligibility within 30 days will result in de-enrollment and the termination of my Lifeline benefits
- The information contained in this certification form is true and correct to the best of my knowledge

Applicant's Signature: _____ **Date:** _____

For Agent Use Only (check the appropriate boxes for the proof of eligibility viewed and provide information requested; do not copy or retain documentation):

Documents Acceptable Proof for Income-Eligibility (check 1):

- The prior year's state, federal, or Tribal tax return,
- Current income statement from an employer or paycheck stub,
- A Social Security statement of benefits,
- A Veterans Administration statement of benefits,
- A retirement/pension statement of benefits,
- An Unemployment/Workmen's Compensation statement of benefits,
- Federal or Tribal notice letter of participation in General Assistance, or
- A divorce decree, child support award, or other official document containing income information for at least three months time.

List B - Choose 1:

- Program participation card/document
- Prior year's statement of benefits
- Notice letter of participation
- Other official document evidencing participation _____

Last 4 digits of Document from List B _____

Date of Proof Document: ____/____/____

Expiration Date of Proof Document: ____/____/____

Documents Acceptable Proof for Program-Eligibility (choose 1 from each list A and B below):

List A - Choose 1

- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid
- Section 8 Federal Public Housing Assistance (FPHA)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program's free lunch program
- Food Distribution Program on Indian Reservations (FDIR)
- Bureau of Indian Affairs General Assistance (BIA)
- Tribally Administered TANF (TATNF)
- Head Start (meeting income qualifying standards)

Applicant Account Number	Rep/Agent Signature

New Talk, Inc. Lifeline Service Application Income Eligibility Worksheet

Individuals in all states are able to enroll in the Lifeline program by demonstrating that their household's annual income is at or below 135% of the Federal Poverty Guidelines. This table should be used to determine whether a Lifeline applicant is eligible for Lifeline service based on the number of individuals in the applicant's household and the applicant's household annual income:

HOUSEHOLD SIZE	INCOME LEVEL
1	\$15,080
2	\$20,426
3	\$25,772
4	\$31,118
5	\$36,464
6	\$41,810
7	\$47,156
8	\$52,502
For each additional person	Add \$5,346

Applicants must list the number of individuals in the applicant's household on the Lifeline application form. Applicants seeking to qualify for Lifeline service based on their household income must present one of the following documents in order to prove eligibility:

- the prior year's state, federal, or Tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits
- a Veterans Administration statement of benefits
- a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits
- Federal or Tribal notice letter of participation in General Assistance
- a divorce decree, child support award, or other official document containing income information for at least three months time

This is a Lifeline service provided by New Talk, Inc. Lifeline is a government assistance program. Only one Lifeline service is available per household. Households are not permitted to receive multiple Lifeline benefits whether they are from one or multiple companies, wireless or wireline. Proof of eligibility is required for enrollment and only eligible customers may enroll in Lifeline service. Consumers who willingly make false statements to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. Lifeline is a non-transferable benefit. Lifeline customers may not transfer their benefits to any other person.

Exhibit 3

Sample Marketing Materials

HOME PHONE SERVICE

NO PRE-PAYMENT OR DEPOSIT REQUIRED!
START TALKING IN AS LITTLE AS 24 HRS.

Rates from **\$8.49** per month**
(\$18.50/mo including approximate taxes & fees)

\$0 Money Down

- Caller ID & Call Waiting Included in Packages*

1-877-563-9825

9am - 6pm Mon - Sat

New-Talk

www.newtalkonline.com

DISTRIBUTOR WANTED, CALL OR GO ONLINE
Initial investment required, ask if there are any exceptions.

*Requires silver or gold package.
**\$8.49 per month with auto pay.

Service provided by New Talk clec# 60530

*Lifeline is a government benefit program. Only eligible customers may participate in the Lifeline program and participation is limited to one benefit per household consisting of either wireline or wireless service. Documented proof of participation in a government assisted program or income qualification is required for enrollment. Lifeline service is non-transferable.



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