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BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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Case No. TC-2011-	
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COMPLAINT

Come now BPS Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Craw-Kan Telephone Cooperative, Inc., Ellington Telephone Company, Farber Telephone Company, Fidelity Communication Services I. Inc., Fidelity Communication Services II, Inc., Fidelity Telephone Company, Goodman Telephone Company, Granby Telephone Company, Grand River Mutual Telephone Corporation. Green Hills Telephone Corporation, Green Hills Area Cellular Telephone, Inc. d/b/a Green Hills Telecommunications Services, Holway Telephone Company, lamo Telephone Corporation, Kingdom Telephone Company, K.L.M. Telephone Company, Lathrop Telephone Company, Le-Ru Telephone Company, Mark Twain Rural Telephone Company, Mark Twain Communications Company, McDonald County Telephone Company, Miller Telephone Company, New Florence Telephone Company, New London Telephone Company, Northeast Missouri Rural Telephone Company, Orchard Farm Telephone Company, Oregon Farmers Mutual Telephone Company, Ozark Telephone Company, Peace Valley Telephone Company, Inc., Rock Port Telephone Company, Seneca Telephone Company, Steelville Telephone Exchange, Inc., and Stoutland Telephone Company (hereinafter collectively Complainants), in accordance with §§386.390 and 386.400 RSMo. 2000¹, 4 CSR 240-2.070, 4 CSR 240-4.020(2)(B) and 4 CSR 240-29.010, et al., and for their Complaint against Halo Wireless, Inc. (Halo), (hereinafter "Respondent") state to the Missouri Public Service Commission (Commission) as follows:

All statutory references are to the 2000 edition of RSMo. unless otherwise noted.

THE PARTIES

1. BPS Telephone Company (BPS) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 550 120 Stewart Street Bernie, MO 63822-0550

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 1 and is incorporated herein by reference.

2. Citizens Telephone Company of Higginsville, Missouri (Citizens) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 737 1905 Walnut Street Higginsville, MO 64037-0737

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 2 and is incorporated herein by reference.

3. Craw-Kan Telephone Cooperative, Inc. (Craw-Kan) is a Kansas corporation with its principal office and place of business located at:

P.O. Box 100 200 North Ozark Girard, KS 66743

A certificate of corporate good standing - foreign corporation issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 3 and is incorporated herein by reference.

4. Ellington Telephone Company (Ellington) is a Missouri corporation with its

principal office and place of business located at:

P.O. Box 400 200 College Avenue Ellington, MO 63638

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 4 and is incorporated herein by reference.

5. Farber Telephone Company (Farber) is a Missouri corporation with its principal office and place of business located at:

Main & Linn Streets Farber, MO 63345

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 5 and is incorporated herein by reference.

6. Fidelity Communication Services I, Inc. (FCSI) is a Missouri corporation with its principal office and place of business located at:

64 North Clark Sullivan, MO 63080

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 6 and is incorporated herein by reference.

7. Fidelity Communication Services II, Inc. (FCSII) is a Missouri corporation with its principal office and place of business located at:

64 North Clark Sullivan, MO 63080

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 7 and is incorporated herein by reference.

8. Fidelity Telephone Company (Fidelity) is a Missouri corporation with its

principal office and place of business located at:

64 North Clark Sullivan, MO 63080

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 8 and is incorporated herein by reference.

9. Goodman Telephone Company (Goodman) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 592 Seneca, MO 64865

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 9 and is incorporated herein by reference.

10. Granby Telephone Company (Granby) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 200 Granby, MO 64844

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 10 and is incorporated herein by reference.

11. Grand River Mutual Telephone Corporation (Grand River) is a Missouri corporation with its principal office and place of business located at:

1001 Kentucky Street Princeton, MO 64673

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 11 and is incorporated herein by reference.

12. Green Hills Telephone Corporation (Green Hills) is a Missouri corporation

with its principal office and place of business located at:

P.O. Box 227 7926 N.E. State Route M Breckenridge, MO 64625

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 12 and is incorporated herein by reference.

13. Green Hills Area Cellular d/b/a Green Hills Telecommunications Services (GHTS) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 227 7926 N.E. State Route M Breckenridge, MO 64625

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 13 and is incorporated herein by reference.

14. Holway Telephone Company (Holway) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 112 208 Ash Maitland, MO 64466

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 14 and is incorporated herein by reference.

15. Iamo Telephone Corporation (Iamo) is an Iowa corporation with its principal office and place of business located at:

P.O. Box 368 104 Crook Street Coin, IA 51636

A certificate of corporate good standing - foreign corporation issued by the Missouri

Secretary of State is attached to this Complaint as Exhibit 15 and is incorporated herein by reference.

16. Kingdom Telephone Company (Kingdom) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 97 211 South Main Auxvasse, MO 65231

A certificate of corporate good standing was issued by the Missouri Secretary of State and is attached to this Complaint as Exhibit 16 and is incorporated herein by reference.

17. K.L.M. Telephone Company (KLM) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 30 616 E. Park Avenue Rich Hill, MO 64779

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 17 and is incorporated herein by reference.

18. Lathrop Telephone Company (Lathrop) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 167 Princeton, MO 64673

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 18 and is incorporated herein by reference.

19. Le-Ru Telephone Company (Le-Ru) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 147 Stella, MO 64867-0147

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 19 and is incorporated herein by reference.

20. Mark Twain Rural Telephone Company (Mark Twain) is a Missouri corporation with its principal office and place of business located at:

Highway 6 East P.O. Box 68 Hurdland, MO 63547

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 20 and is incorporated herein by reference.

21. Mark Twain Communications Co. (MTCC) is a Missouri corporation with its principal office and place of business located at:

Highway 6 East P O Box 68 Hurdland MO 63547

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 21 and is incorporated herein by reference.

22. McDonald County Telephone Company (McDonald County) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 207 704 Main Street Pineville, MO 64856-0207

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 22 and is incorporated herein by reference.

23. Miller Telephone Company (Miller) is a Missouri corporation with its

principal office and place of business located at:

Box 7 213 East Main Street Miller, MO 65707

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 23 and is incorporated herein by reference.

24. New Florence Telephone Company (New Florence) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 175 101 North Main Street New Florence, MO 63363-0174

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 24 and is incorporated herein by reference.

25. New London Telephone Company (New London) is a Missouri corporation with its principal office and place of business located at:

525 Junction Road Madison, WI 53717

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 25 and is incorporated herein by reference.

26. Northeast Missouri Rural Telephone Company (NEMO) is a Missouri corporation with its principal office and place of business located at:

718 South West Street Green City, MO 63545

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 26 and is incorporated herein by reference.

27. Orchard Farm Telephone Company (Orchard Farm) is a Missouri corporation with its principal office and place of business located at:

525 Junction Road Madison, WI 53717

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 27 and is incorporated herein by reference.

28. Oregon Farmers Mutual Telephone Company (Oregon Farmers) is a Missouri corporation with its principal office and place of business located at:

Box 227 118 East Nodaway Oregon, MO 64473

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 28 and is incorporated herein by reference.

29. Ozark Telephone Company (Ozark) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 547 Seneca, MO 64865

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 29 and is incorporated herein by reference.

30. Peace Valley Telephone Company, Inc. (Peace Valley) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 9 7101 State Road W Peace Valley, MO 65788

A certificate of corporate good standing issued by the Missouri Secretary of State is

attached to this Complaint as Exhibit 30 and is incorporated herein by reference.

31. Rock Port Telephone Company (Rock Port) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 147 214 South Main Rock Port, MO 64482

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 31 and is incorporated herein by reference.

32. Seneca Telephone Company (Seneca) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 329 Seneca, MO 64865

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 32 and is incorporated herein by reference.

33. Steelville Telephone Exchange, Inc. (Steelville) is a Missouri corporation with its principal office and place of business located at:

P.O. Box 370 61 East Hwy 8 Steelville, MO 65565

A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 33 and is incorporated herein by reference.

34. Stoutland Telephone Company (Stoutland) is a Missouri corporation with its principal office and place of business located at:

525 Junction Road Madison, WI 53717 A certificate of corporate good standing issued by the Missouri Secretary of State is attached to this Complaint as Exhibit 34 and is incorporated herein by reference.

35. Matters regarding this complaint may be directed to the attention of:

W.R. England, III Brian T. McCartney Brydon, Swearengen & England P.C. 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102-0456 573/635-7166 (telephone) 573/634-7431 (fax) Email: trip@brydonlaw.com

bmccartney@brydonlaw.com

- 36. Complainants are "telecommunications companies" providing "basic local telecommunications services" and "exchange access services," as those terms are defined by §386.020, to customers located in their service areas pursuant to a certificates of public convenience and necessity issued by the Commission. Complainants are also small "Local Exchange Telecommunications Companies" (LECs) as that term is defined by §386.020(31).
- 37. Complainants are unaware of any pending action or final unsatisfied judgments or decisions issued against them from any state or federal agency or court within three years of the date of this complaint which involved customer service or rates. Complainants' annual reports to the Commission and assessment fees are not overdue.
- 38. On information and belief, Halo is a corporation organized under the laws of Texas. Halo was granted a registration to do business as a foreign corporation by the Missouri Secretary of State's office on January 29, 2010. However, Halo's registration to do business as a foreign corporation was administratively dissolved by the Missouri

Secretary of State's office on August 25, 2010.

- 39. Respondent Halo purports to be a provider of commercial mobile radio service (CMRS) within the state of Missouri. However, the vast majority of Halo's traffic appears to involve landline-originated calls. None of the calls Halo is delivering to Complainants for termination appear to originate from end-user subscribers of Halo's Wireless Service. Moreover, Halo's certificate of authority from the Missouri Secretary of State's office lists Halo's "business purpose" as "wholesale telecommunications service." Therefore, the nature of Halo's traffic is likely to be contested as is the characterization of Halo's status as a "CMRS provider."
- 40. To the best of Complainants' knowledge, Halo's address and contact persons are:

Mr. John Marks General Counsel Halo Wireless, Inc. 2351 West Northwest Highway, Suite 1204

Dallas, TX 75220

Email: imarks@halowireless.com

and

Mr. Scott McCullough McCullough Henry, PC 1250 S. Capital of Texas Highway Building 2, Suite 235 West Lake Hills, TX 78746 Email: wsmc@dotlaw.biz

HALO'S TRAFFIC

In approximately mid-December, 2010, several Complainants began 41. receiving wireless billing records from their tandem provider, AT&T Missouri, Inc. (AT&T), indicating that "wireless traffic" was being transited to them for termination. This wireless traffic was coming from a new "wireless carrier", Halo. All Complainants have, since January, 2011, at one time or another received traffic from Halo.² In some cases, the amount of traffic Halo was terminating to Complainants was substantial, particularly given the small, regional character of Halo's service area.3

42. Given the substantial amount of traffic that this relatively small wireless carrier appeared to be generating, several Complainants undertook further investigation regarding the actual calls being originated and/or delivered by Halo. The AT&T tandem wireless billing records do not contain the telephone number of the end user actually originating the call (i.e., the calling party number or "CPN") for each wireless call, but the records do contain sufficient call detail (i.e., date, time, duration, called number, etc.) that these Complainants - through much manual clerical work - were able to match the individual call detail they received in the AT&T tandem records with call detail information from their own terminating switch records for a sample number of calls. These Complainants' initial investigations revealed that the traffic Halo was sending to them for termination was a mix of wireline (e.g., LEC-originated), third-party wireless.4 and originating 800 traffic. Some of the wireline traffic was interLATA interexchange traffic.⁵

²Attached as Highly Confidential Exhibit 35 is a summary of traffic that Halo terminated to Complainants for a recent month. Annualizing this one month of traffic (i.e., multiplying by 12) and pricing it at either Complainants' reciprocal compensation rates or at their intrastate access rates gives a range of annualized revenue associated with this traffic.

³A search of Halo's website in January, 2011 indicated that it offered wireless service to Brenham, Pleasanton and Tyler in the state of Texas.

⁴ Third Party Wireless* refers to traffic originated by a wireless carrier other than Halo (e.g., Verizon

Wireless, Sprint, T-Mobile, etc.).

For example, Citizens identified four (4) calls delivered by Halo that were originated by Citizens' undersigned regulatory counsel in Jefferson City, Missouri and terminated to Citizens' office in Higginsville. Missouri. Citizens' regulatory counsel has a wireline telephone which is presubscribed to Century Link for

43. On information and belief, AT&T has also performed an analysis of Halo's traffic transiting AT&T's tandems for termination to Complainants and, on average, it appears that as much as 70% of Halo's traffic is intrastate interexchange wireline originated traffic.

EFFORTS TO OBTAIN COMPENSATION FOR HALO'S TRAFFIC

- 44. Halo has an approved interconnection agreement with AT&T Missouri that purports to allow Halo to send traffic over AT&T's network for termination to Complainants. This agreement was approved by Halo's adoption of an interconnection agreement between Voicestream Wireless and AT&T, which adoption agreement was signed by Halo and AT&T on or about June 21, 2010, and filed with the Commission by AT&T under cover letter dated June 29, 2010. Based upon information and belief, this interconnection agreement was effectuated by adoption without Order of the Commission.
- 45. Section 3.1.3 of the agreement between AT&T and Halo, entitled "Traffic to Third Party Providers", provides as follows:

"Carrier and SWBT shall compensate each other for traffic that transits their respective systems to any Third Party Provider, as specified in Appendix PRICING. The Parties agree to enter into their own agreements with Third Party Providers. In the event that Carrier sends traffic through SWBT's network to a Third Party Provider with whom Carrier does not have a traffic interexchange agreement, then Carrier agrees to indemnify SWBT for any termination charges rendered by a Third Party Provider for such traffic."

46. Halo did not obtain any agreements with Complainants before sending

all long distance calling. Jefferson City is located in the Jefferson City/Columbia, Missouri LATA, and Higginsville is located in the Kansas City, Missouri LATA, so these calls were intrastate, interLATA interexchange calls that were being passed-off by Halo as "wireless calls." Jefferson City is located in the St. Louis Major Trading Area ("MTA"). Higginsville is located in the Kansas City MTA. Therefore, these calls also were interMTA in jurisdiction.

traffic through AT&T destined to terminate on Complainants' networks. Like AT&T, complainants are LECs and therefore should be entitled to equal dignity in establishing interconnection and compensation arrangements prior to traffic delivery. However, AT&T places this traffic on the LEC-to-LEC network for termination to Complainants with no prior notice, no opportunity to object, and no opportunity to negotiate and have approved a proper interconnection agreement prior to receipt of this traffic.

- 47. Complainants have sent invoices to Halo for this traffic, either billing this traffic at their intrastate access rates, their wireless reciprocal compensation rates, or a combination of the two rates. Halo has refused to pay these invoices claiming that all of its traffic is intraMTA wireless traffic and therefore not subject to access charges. In addition, Halo argued that since none of the Complainants have an agreement with Halo to bill for this traffic, Halo has no obligation to pay reciprocal compensation for this traffic. In essence, Halo argues that its traffic is subject to a "de facto" bill and keep arrangement.
- 48. However, Complainants have seen no evidence that Halo actually has any of its own retail end user wireless customers originating calls within any Major Trading Area (MTA) covering a portion of Missouri. It is not clear that Halo customers can receive calls, and therefore not clear if Halo in fact provides two-way interconnected service. Consequently, it does not appear that any balance of intraMTA traffic between Halo and any Complainant exists, a prerequisite for any legitimate bill and keep reciprocal compensation, had one been submitted for approval.
- 49. Complainants also caused correspondence to be sent to Halo requesting that it begin negotiations toward an interconnection agreement (to include compensation

for intraMTA wireless traffic) and advising Halo that to the extent it was delivering interLATA, wireline traffic over its interconnection with AT&T for termination to Complainants, that Halo should cease and desist from doing so, as that was a violation of the MoPSC's Enhanced Record Exchange (ERE) Rules.

- 50. Halo responded to these requests to begin negotiations by asserting that all of its traffic was intraMTA wireless traffic, as all of its traffic originates at a "base station" which is located in the same MTA where its traffic terminates. Halo also refused to commence negotiations pursuant to §251/252 of the Telecommunications Act of 1996 (the Act) alleging that Complainants have not fully complied with FCC rules, in that Complainants have not specifically requested to interconnect with Halo, nor have Complainants specifically requested Halo to submit to Missouri Commission arbitration, if negotiations failed to resolve all issues between the parties. As a result, Halo asserts that the timeline prescribed for negotiations and arbitration in Section 252 of the Act has not been started and any effort by Complainants to seek Missouri Commission arbitration would not be proper as the Missouri Commission lacked subject matter and personal jurisdiction.
- 51. Through a series of correspondence, and at least one conference call, Complainants responded to Halo and disagreed with: 1) Halo's characterization of its traffic as intraMTA wireless traffic and 2) Halo's interpretation of the FCC rules and decisions regarding Section 251/252 negotiations between wireline and wireless carriers. Complainants stated that they do not seek to establish new interconnection with Halo, as Halo is already interconnected with Complainants, albeit indirectly through the AT&T

Missouri tandem. Complainants also asserted that any request to Halo to submit to State Commission arbitration was, at best, premature as there had been no substantive negotiations and therefore no indication that there would be any open or unresolved issues. Complainants further noted that requesting Halo to submit to State Commission arbitration is a meaningless act because such a request assumes Halo has the option to reject such arbitration, which it does not.

THE LACK OF ORIGINATING CALLER IDENTIFICATION

52. On or about February 14, 2011 (after Missouri regulatory counsel had questioned Halo regarding the nature of its traffic), Complainants stopped receiving the originating caller identification (i.e., Calling Party Number or CPN) with each of the calls delivered to them by Halo. Instead, all of the Halo traffic (i.e., thousands of calls) now contains the same NPA-NXX (e.g., 816-912-1901, 314-282-1901, or 417-719-1901) in the "from number" field of their switch records. This "new" NPA-NXX is apparently a billing number that is assigned to Halo. It is significant to note that only Halo's traffic no longer contains the CPN of the calling party in the "from" field of the switch record, as Complainants continue to receive the CPN on all the other wireless calls transited to them over the AT&T tandem by other wireless carriers (such as AT&T Wireless, Sprint, and Verizon Wireless). The Complainants have done nothing to alter the way in which their switch captures and records call details, including CPN. On information and belief, the Complainants anticipate that AT&T also will confirm that it has not modified its signaling or billing parameters for Halo traffic. It is clear that somewhere upstream (i.e., in the Halo network, or the carriers that use Halo to carry their traffic) the CPN of the actual calling

party is being moved, altered, replaced or stripped such that the NPA-NXX being captured in the switch record only identifies the carrier to be billed (i.e., Halo). The failure by Halo to deliver the CPN of the originating caller is a violation of the Missouri ERE Rules.

- 53. Despite Complainants' analysis of Halo calls, Halo has steadfastly maintained that <u>all</u> of its traffic is intraMTA CMRS traffic subject to reciprocal compensation rather than access charges. As indicated in Halo's correspondence, and other communications, Halo maintains that all of its traffic is intraMTA CMRS traffic because, due to the nature of Halo's network, all calls that originate in the Kansas City MTA terminate in the Kansas City MTA and all calls that originate in the St. Louis MTA terminate in the St. Louis MTA. On the contrary, the Complainants believe that the vast majority, if not all, of Halo's traffic is <u>not</u> intraMTA CMRS traffic and is therefore subject to appropriate access charges.
- 54. In many instances, the Halo traffic volumes are grossly out of line with wireless traffic transited over the FGC network by other wireless carriers (including the nationwide wireless carriers). The Missouri LECs have seen no evidence that Halo actually has <u>any</u> of its own retail end user wireless customers (although admittedly it is now difficult to tell because Halo is no longer delivering meaningful originating caller information). It is not clear that Halo customers can receive calls, and therefore not clear if Halo in fact provides two-way interconnected service.
- 55. In fact, Complainants believe that Halo is an "aggregator" of traffic as defined by the Missouri ERE rules. In this regard, Halo either, by itself or in conjunction