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Schedule JSM-10

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VIA EMAIL & U.S. CERTIFIED U.S. MAIL NO. 7011 1150 0000 5809 8680

March 19, 2012

Halo Wireless, Inc.
c/o Mr. E. P. Keiffer
Wright Ginsberg Brusilow, P.C.
Republic Center, Suite 4150
325 N. St. Paul Street
Dallas, Texas 75201
pkeiffer@wgblawfirm.com

Re: Notice of Intent to Begin Blocking of Halo Wireless, Inc. Traffic Terminating to AT&T Missouri Pursuant to the Missouri Public Service Commission Enhanced Record Exchange Rules.

Dear Mr. Keiffer:

Please be advised that Southwestern Bell Telephone Company d/b/a AT&T Missouri intends to and will begin blocking Halo Wireless, Inc. ("Halo") traffic terminating to AT&T Missouri pursuant Missouri Public Service Commission Rule 4 CSR 240-29.120 (the "Rule") and subject to the operation of applicable law, including the United States Bankruptcy Code and any orders issued in connection with Case No. 11-42464, *In re Halo Wireless, Inc.*, Debtor, pending in the United States Bankruptcy Court for the Eastern District Texas. In accordance with the requirements of the Rule, this letter sets out the reasons for the traffic blocking, the date the traffic blocking will begin, and the actions Halo can take to avoid the traffic blocking.

Reasons for Blocking

Halo is sending AT&T Missouri large volumes of access traffic on which it is not paying access charges. Halo has been aggregating large amounts of interexchange landline-to-landline traffic and other third-party traffic that Halo then routes to AT&T Missouri as if it were wireless-originated traffic. As a result, Halo has failed to fully compensate AT&T Missouri for transporting and terminating Halo traffic.

In material breach of the parties' Interconnection Agreement ("ICA"), Halo Wireless continues to send AT&T Missouri non-wireless-originated traffic, *i.e.*, landline-originated traffic, despite AT&T Missouri's demands that Halo cease doing so. The following Whereas Clause, which the parties added through an amendment to the ICA when Halo adopted the ICA, makes clear that Halo's sending this type of traffic constitutes a violation of the ICA:

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Whereas, the Parties have agreed that this Agreement will apply only to (1) traffic that originates on AT&T's network or is transited through AT&T's network and is routed to Carrier's wireless network for wireless termination by Carrier; *and (2) traffic that originates through wireless transmitting and receiving facilities before Carrier delivers traffic to AT&T for termination by AT&T or for transit to another network.* (Emphasis added).

The ICA is designed solely for traffic originated on wireless facilities. *See* Whereas Clause quoted above, and ICA §§ 3.1.1, 3.2.1, 3.2.3.3. Halo, however, has continued to send AT&T Missouri substantial volumes of traffic that is landline-originated. Halo's transmitting interLATA wireline traffic over the LEC-to-LEC network in Missouri also violates Section 4 CSR 240-29.010(1) of the Commission's Rules.

Landline-originated interexchange traffic is compensable at lawful switched access rates. Halo has failed to pay AT&T Missouri appropriate access rates for terminating Halo's landline-originated interexchange traffic. The FCC has rejected Halo's claim that landline toll traffic can be converted to intraMTA wireless traffic by inserting a wireless connection at its "base stations," concluding "re-origination of a call over a wireless link in the middle of the call path does not convert a wireline-originated call into a CMRS-originated call for purposes of reciprocal compensation and we disagree with Halo's contrary position."¹

Date Traffic Is To Be Blocked

April 24, 2012

Actions Halo Can Take To Prevent Blocking

Pursuant to 4 CSR 240-29.120, Halo may take any of the following actions to prevent the implementation of blocking:

- a. Agreeing with AT&T Missouri and obtaining any applicable Bankruptcy Court approval of arrangements for the payment of appropriate switched access charges on all Halo post-bankruptcy petition landline-originated interexchange traffic terminated to AT&T Missouri.
- b. File a formal complaint with the Missouri Public Service Commission providing all relevant evidence refuting any stated reasons for blocking;
- c. Any other means of prevention set forth in Chapter 29 of the Missouri Public Service Commission Rules, 4 CSR 240-29.010, et seq.

¹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161, paras. 1005-1006 (rel. Nov. 18, 2011), *Pets. for review pending*, *Direct Commc'ns Cedar Valley, LLC vs. FCC*, No. 11-9581 (10th Cir. filed Dec. 18, 2011) (and consolidated cases).

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Please notify me and Mr. John Van Eschen of the Missouri Public Service Commission Staff no later than April 10, 2012 if Halo wishes to take any of these steps to avoid the effectuation of traffic blocking.

Very truly yours,



Leo J. Bub

cc: Via Certified Mail and Via E-Mail

Russ Wiseman, Secretary/Treasurer - Cert. U.S. Mail No. 7011 1150 0000 5809 8697
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Via E-Mail

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