# EXHIBIT 2



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VIA E-MAIL AND U.S. MAIL

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Re: Halo Wireless, Inc. v. Citizens Telephone Company of Higginsville Missouri Halo Wireless, Inc. v. Green Hills Telephone Corporation Halo Wireless, Inc. v. Mid-Missouri Telephone Company Halo Wireless, Inc. v. Northeast Missouri Rural Telephone Company Halo Wireless, Inc. v. Chariton Valley Telephone Corporation Halo Wireless, Inc. v. Mark Twain Rural Telephone Company Halo Wireless v. AT&T Missouri

## **Request for Inclusion of Complaint, Once Filed, on FCC Accelerated Docket**

Dear Mr. Starr, Ms. McEnery, Mr. Engel and Ms. Bridgham:

Halo Wireless, Inc. ("Halo") intends to file a complaint (or individual complaints) against Citizens Telephone Company of Higginsville Missouri, Green Hills Telephone Corporation, Mid-Missouri Telephone Company, Northeast Missouri Rural Telephone Company, Chariton Valley Telephone Corporation, Mark Twain Rural Telephone Company, and AT&T Missouri (the "ILECs"). The purpose of this letter is to request that the Staff exercise its discretion and include the contemplated complaint on the Accelerated Docket.<sup>1</sup>

The matter involves multiple defendants. The defendant carriers are not entirely commonly owned or controlled, but Halo will allege that they have acted in concert, are jointly liable to Halo and the complaint concerns common questions of law or fact. *See*, 47 C.F.R. § 1.735(a). Even if separate complaints are filed, Halo will seek that they be consolidated by the Commission for disposition. Halo has engaged in discussions with counsel for each of the defendants, and each was placed on notice that Halo intended to seek relief from the Commission. *See* 47 C.F.R. § 1.721(a)(8). Given that Halo is seeking inclusion on the Accelerated Docket, it is not necessary to fully comply with all the requisites of subsection (a)(8) at this time. *See* 47 C.F.R. § 1.721(f)(iii). After a decision is made regarding placement on the

<sup>&</sup>lt;sup>1</sup> Halo will request bifurcation of the damages claims for decision in a separate proceeding as is allowed under § 1.722(b) of the Commission's rules and encouraged for matters sought to be placed on the Accelerated Docket.

Accelerated Docket, Halo will take all required steps appropriate for the designated procedural track.

Halo intends to seek relief under § 208 for violations of § 201 of the Act and §§ 20.11, 51.301, 63.60, 63.62, and 63.501 of the Commission's rules.<sup>2</sup> There are only two major issues. The first is whether an incumbent can block intraMTA CMRS traffic solely because the CMRS carrier refuses to pay access charges billed by the incumbent in violation of 47 C.F.R. § 20.11(d) the incumbent is not using (or properly invoking) the procedure (47 C.F.R. § 20.11(e)) expressly made available to ILECs in similar circumstances in the *T-Mobile Order*,<sup>3</sup> and the CMRS provider has declined to become a requesting carrier. The second issue, raised by the defendants, is whether or not Halo's traffic is CMRS and/or intraMTA to the extent Halo's customer is an enhanced/information service provider and Halo is acting as a "numbering partner."<sup>4</sup>

The issues related to a finding of a violation and liability (but not the quantification of damages) are well suited for resolution through the Accelerated Docket. The disagreements between the parties relate to the kinds of disputes the Commission had in mind when it established this process.<sup>5</sup> Three of the defendants are presently blocking traffic originated by Halo, and the other two will – absent action by the Commission – begin blocking on April 11<sup>th</sup> (Northeast Missouri), April 18<sup>th</sup> (Chariton Valley) and April 25<sup>th</sup> (Mark Twain).<sup>6</sup> This is obviously service-affecting and a damaging business impediment to Halo, which is a new market entrant.<sup>7</sup>

As noted, there are several defendants. Each has been represented by counsel, and they are grouped by counsel below.  $^{8}$ 

<sup>&</sup>lt;sup>8</sup> Halo will serve counsel with this letter, but will also serve each entity's designated agent for service of process that is listed on the Bureau's website.



<sup>&</sup>lt;sup>2</sup> Halo will provide the background facts and then demonstrate why the defendants' conduct violates these specific provisions in the Act or FCC rules.

<sup>&</sup>lt;sup>3</sup> Declaratory Ruling and Report and Order, *In the Matter of Developing a Unified Intercarrier Compensation Regime, T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs,* CC Docket 01-92, FCC 05-42, 20 FCC Rcd 4855 (2005) ("*T-Mobile Order*").

<sup>&</sup>lt;sup>4</sup> Some of the ILECs have also asserted, as a potential third issue, that Halo is not correctly passing CPN. This issue is a chimera that distracts from the two basic issues because Halo is passing both CPN and Charge Number in accordance with industry standards and Commission rules. Those ILECs who have raised this issue have simply confused CPN and ChPN. In addition, Halo is already complying with the Commission's proposed "phantom" and "Truth in Caller ID" rules. If the ILECs persist in this allegation, Halo will provide call traces to clarify the issue.

<sup>&</sup>lt;sup>5</sup> Second Report and Order, *In the Matter of Implementation of the Telecommunications Act of 1996 Amendment of Rules Governing Procedures to Be Followed When Formal Complaints are Filed Against Common Carriers*, CC Docket No. 96-238, FCC 98-154, 13 FCC Rcd 17018, 17027 ¶ 16 (rel. July 1998) ("Accelerated Docket R&O").

<sup>&</sup>lt;sup>6</sup> The sixth defendant, AT&T, is the defendant that actually implements the blocking at its tandem. AT&T is doing so at the behest of the non-AT&T defendants and AT&T has indicated that it is acting by state compulsion and the action is not completely voluntary. Halo believes this may well be true, and to that extent AT&T bears far less culpability than the other defendants.

<sup>&</sup>lt;sup>7</sup> See Accelerated Docket R&O ¶7, 13 FCC Rcd at 17023 ["... any delay in the process for resolving competitive disputes works to the benefit of the party supporting the current state of affairs. Regardless of the merit of the parties' respective positions, a longer decision time prolongs the time during which the dispute remains unresolved; this in turn can delay a market participant's execution of its business plan. Similarly, absent interim, injunctive-style relief, any delay in the decision process may cause harm by prolonging the time during which the complainant must suffer the damage caused by a violation of the Act."]

Citizens Telephone Company of Higginsville Mo. OCN 1865; FCC Filer information at <u>http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=807018</u> Green Hills Telephone Corporation. OCN 1890; FCC Filer information at <u>http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=808936</u> Mark Twain Rural Telephone Company. OCN 1914; FCC Filer information at <u>http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=803688</u>

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Mid-Missouri Telephone Company. OCN 1917; FCC Filer information at http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=801801 Northeast Missouri Rural Telephone Company. OCN 1931; FCC Filer Information at http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=801405 Chariton Valley Telephone Corporation. OCN 1864; FCC Filer Information at http://fjallfoss.fcc.gov/cgb/form499/499detail.cfm?FilerNum=807093

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AT&T Missouri is in the unfortunate position of being in the middle of this dispute, since it is the one that must implement blocking at the tandem. For this reason Halo must include AT&T as a defendant. AT&T's Missouri counsel is:

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# I. <u>Background Facts</u>

1. Halo provides "common carrier interconnected" CMRS service.

On January 27, 2009 Halo was awarded a nationwide license ("Radio Station Authorization" or "RSA") to register and operate fixed and base stations in the 3650-3700 MHz band and to support "mobile" and "portable" subscriber stations. The RSA recognizes and adopts



Halo's declaration and intent to provide service as a common carrier, and as a consequence expressly states that Halo's services are "common carrier - interconnected."<sup>9</sup> A copy of the RSA is contained in Exhibit 1.

The Commission created new rules for operations within the 3650-3700 MHz band in 2005.<sup>10</sup> The stated purpose was to encourage the delivery of advanced communications capabilities on a flexible basis. This band was also specifically noted as suited for use with WiMAX, which is one technology used to deliver 4G wireless broadband service.<sup>11</sup> The Commission said that licensees could use the frequencies to provide any service, including telecommunications services or enhanced/information service on a non-carrier basis or as common carriers.<sup>12</sup> This is reflected in the rules for the band, which appear in 47 C.F.R. Part 90,

Interconnection or Interconnected. Direct or indirect connection through automatic or manual means (by wire, microwave, or other technologies such as store and forward) to permit the transmission or reception of messages or signals to or from points in the public switched network.

Interconnected Service. A service: (a) That is interconnected with the public switched network, or interconnected with the public switched network through an interconnected service provider, that gives subscribers the capability to communicate to or receive communication from all other users on the public switched network; or (b) For which a request for such interconnection is pending pursuant to section 332(c)(1)(B) of the Communications Act, 47 U.S.C. 332(c)(1)(B). A mobile service offers interconnected service even if the service allows subscribers to access the public switched network only during specified hours of the day, or if the service provides general access to points on the public switched network but also restricts access in certain limited ways. Interconnected service does not include any interface between a licensee's facilities and the public switched network exclusively for a licensee's internal control purposes.

<sup>10</sup> R&O and MO&O, In the Matter of Wireless Operations in the 3650-3700 MHz Band; Rules for Wireless Broadband Services in the 3650-3700 MHz Band; Additional Spectrum for Unlicensed Devices Below 900 MHz and in the 3 GHz Band; Amendment of the Commission's Rules With Regard to the 3650-3700 MHz Government Transfer Band, ET Docket Nos. 98-237, 02-380, 04-151, WT Docket No. 05-96, FCC 05-56, 20 FCC Rcd 6502 (rel. Mar. 16, 2005)("3650-3700 Order").

<sup>11</sup> WiMAX (Worldwide Interoperability for Microwave Access) is a "4G" transport technology. WiMAX provides wireless transport point-to-point links and can also support full mobile cellular-type access. It is based on the IEEE 802.16 standard. The 802.16 specification applies across a wide swath of the RF spectrum, and WiMAX could effectively function on any frequency below 66 GHz. There is no uniform global licensed spectrum for WiMAX, although the WiMAX Forum has published three licensed spectrum profiles: 2.3 GHz, 2.5 GHz and 3.5 GHz. Restricted use on the 3650-3700 MHz spectrum can and does use a variant of the 802.16 standard.

<sup>12</sup> See, 3650-3700 Order ¶¶ 36-37 and associated notes:

36. Licensees in the 3650 MHz band may provide services on a common carrier or noncommon carrier basis <sup>[note 67 set out below]</sup> and will have flexibility to designate their regulatory status based on any services they choose to provide.<sup>[note 68 set out below]</sup> Such an approach will provide them with the greatest flexibility to use the spectrum for service applications that are best suited for their needs.<sup>[note 69 omitted]</sup> In other words, wireless licensees in the 3650 MHz band will be able to provide all allowable services anywhere within their service area at any time, consistent with whatever regulatory status they choose. We believe that this approach is likely to achieve efficiencies in administrative process and provide flexibility to the marketplace.

37. While wireless licensees in the 3650 MHz band will be subject to specific licensing and operating provisions adopted in this order, other rules may also apply to these licensees depending



<sup>&</sup>lt;sup>9</sup> Section 332(d)(2) defines "interconnected service":

<sup>(2)</sup> the term "interconnected service" means service that is interconnected with the public switched network (as such terms are defined by regulation by the Commission) or service for which a request for interconnection is pending pursuant to subsection (c)(1)(B).

<sup>47</sup> C.F.R. § 20.3 also defines "interconnected" and "interconnected service":

Subpart Z.<sup>13</sup> Unlike some bands, the 3650-3700 band is not "exclusive" and any person can operate in the band by obtaining a license to do so. The license takes the form of a Radio Station Authorization ("RSA"). After the licensee is given the RSA, then each base and fixed station must be registered in the Commission's database.<sup>14</sup> Halo is thus a common carrier and a licensee under the Act and the rules.

Halo's CMRS service includes broadband data and Internet capabilities, but it also includes real-time, two-way switched voice service support that is interconnected with the public switched network. *See* 47 C.F.R. § 20.3 definitions of "commercial mobile radio service,"<sup>15</sup>

on the type of the service they provide. For instance, if a wireless licensee provides Commercial Mobile Radio Services (CMRS), which makes the licensee a common carrier, other obligations attach as a result of that decision under Title II of the Communications Act or the Commission's rules (e.g., universal service, CALEA).<sup>[note 70 set out below]</sup>

<sup>[note 67]</sup> Regulatory status as a common carrier or non-common carrier depends on the services provided pursuant to the Communications Act, not the issuance of a license or authorization by the Commission. Generally, common carriers are telecommunications providers (*i.e.*, an entity that holds itself out for hire indiscriminately for the purposes of carrying transmissions provided by the customer) in so far as it provides telecommunications services (*i.e.*, the transmission of information of the user's choosing without change in the form or content of the information). *See* 47 U.S.C. § 153. This means that a non-common carrier does not hold itself out for hire indiscriminately for the purposes of carrying transmissions provided by the customer.

<sup>[note 68]</sup> We note that applicants may request common carrier status as well as non-common carrier status for authorization in a single license. *See Rulemaking to Amend Parts 1, 2, 21, and 25 of the Commission's Rules to Redesignate the 27.5-29.5 GHz Frequency Band, to Reallocate the 29.5-30.0 GHz Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services,* CC Docket No. 92-297, *Second Report and Order, Order on Reconsideration, and Fifth Notice of Proposed Rulemaking,* 12 FCC Rcd 12545, 12636-38 (¶¶ 205-208), 12644-45 (¶¶ 225-226), 12652-53 (¶¶ 245-251) (1997) (LMDS Second Report and Order); aff'd, Melcher v. FCC, 134 F.3d 1143 (D.C. Cir. 1998).

<sup>[note 70]</sup> 47 C.F.R. Part 20. In addition, certain rules may be applicable generally to all wireless services. *See, e.g.*, 47 C.F.R. Part 1, 17 (provisions implementing NEPA, antenna structure registration requirements).

<sup>13</sup> See, e.g., 47 C.F.R. § 90.1309:

Sec.90.1309 Regulatory status.

Licensees are permitted to provide services on a non-common carrier and/or on a common carrier basis. A licensee may render any kind of communications service consistent with the regulatory status in its license and with the Commission's rules applicable to that service.

<sup>14</sup> Sec. 90.1307 Licensing.

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The 3650–3700 MHz band is licensed on the basis of non-exclusive nationwide licenses. Non-exclusive nationwide licenses will serve as a prerequisite for registering individual fixed and base stations. A licensee cannot operate a fixed or base station before registering it under its license and licensees must delete registrations for unused fixed and base stations.

The requirement to register stations is a restriction on actual <u>provision</u> of service to users; it does not act as a prerequisite to having either "common carrier" or "interconnected" status.

Commercial mobile radio service. A mobile service that is:

(a)(1) provided for profit, i.e., with the intent of receiving compensation or monetary gain;

(2) An interconnected service; and

(3) Available to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public; or

(b) The functional equivalent of such a mobile service described in paragraph (a) of this section.



"interconnected,"<sup>16</sup> "interconnected service"<sup>17</sup> and "public switched network.<sup>18</sup> The RSA expressly provides that it authorizes "common carrier – interconnected service."

Halo provides "telephone exchange service" and "exchange access" as defined in § 153 of the Act,<sup>19</sup> which means that Halo is a "service provider" for purposes of numbering and can obtain "CO codes" that are assigned to customers for use in association with Halo's telecommunications service offerings. To this end, Halo obtained an OCN (429F) and has secured numbering resources for rate centers in several MTAs throughout the country, including Missouri.

2. The Missouri impasse.

Halo has assembled and is presenting the correspondence between the parties, appropriately marked as Exhibits. The references below will use the Exhibit number, but on occasion will also employ a short hand description or reference to the date of the communication.

Halo has an interconnection agreement with AT&T Missouri. As part of that agreement AT&T provides "transit" to Halo, whereby calls from Halo customers can be routed to other carriers for transport and termination.

The majority of the traffic going to CO codes operated by the ILECs that are or were receiving traffic being sent by Halo for termination in Missouri is jurisdictionally interstate and intraMTA. Most of the traffic is coming from a base station in Junction City, Kansas and flows into the portion of Missouri that is within the Kansas City MTA (MTA 34) boundary. Two of the ILECs (Citizens and Green Hills) are entirely within this MTA. About 75% of the CO codes operated by Mid-Missouri are also in this MTA.

Halo also has a base station in Wentzville, MO, serving the St. Louis MTA (MTA 19). The rest of the CO codes operated by Mid-Missouri, which is about 25% of their total, come

<sup>17</sup> Interconnected Service. A service:

<sup>&</sup>lt;sup>19</sup> First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, CC Docket Nos. 96-98, 95-185, ¶ 1013-1015, 11 FCC Rcd 15499, 15999-16002 (1996) ("*Local Competition Order*") (subsequent history omitted).



<sup>&</sup>lt;sup>16</sup> Interconnection or Interconnected. Direct or indirect connection through automatic or manual means (by wire, microwave, or other technologies such as store and forward) to permit the transmission or reception of messages or signals to or from points in the public switched network.

<sup>(</sup>a) That is interconnected with the public switched network, or interconnected with the public switched network through an interconnected service provider, that gives subscribers the capability to communicate to or receive communication from all other users on the public switched network; or

<sup>(</sup>b) For which a request for such interconnection is pending pursuant to section 332(c)(1)(B) of the Communications Act, 47 U.S.C. 332(c)(1)(B). A mobile service offers interconnected service even if the service allows subscribers to access the public switched network only during specified hours of the day, or if the service provides general access to points on the public switched network but also restricts access in certain limited ways. Interconnected service does not include any interface between a licensee's facilities and the public switched network exclusively for a licensee's internal control purposes.

<sup>&</sup>lt;sup>18</sup> Public Switched Network. Any common carrier switched network, whether by wire or radio, including local exchange carriers, interexchange carriers, and mobile service providers, that use the North American Numbering Plan in connection with the provision of switched services.

from this base station. All of the traffic involving the other three ILECs (Northeast Missouri, Chariton Valley and Mark Twain) is in this MTA.

The blocking mentioned above and further described below therefore involves jurisdictionally interstate traffic in substantial part. In any event, the blocking for even "intrastate" traffic still effectively frustrates Halo's federal right to interconnect, regardless of the actual jurisdiction of any particular call. *See T-Mobile Order* note 41, citing to *CMRS Second Report and Order*.<sup>20</sup>

Each of the non-AT&T ILECs involved claim to be "rural incumbent local exchange carriers," ("RLECs") as defined in § 153(37) of the Act. Presumably, each will assert the § 251(f) exemption from § 251(c) duties.<sup>21</sup> Each has transported and terminated traffic originated

228. Previously, the Commission has required local exchange carriers to provide the type of interconnection reasonably requested by all Part 22 licenses. In the case of cellular carriers, the Commission found that separate interconnection arrangements for interstate and intrastate services are not feasible. Therefore, we concluded that the Commission has plenary jurisdiction over the physical plant used in the interconnection of cellular carriers and we preempted state regulation of interconnection. We found, however, that a LEC's rates for interconnection are severable because the underlying costs of interconnection are segregable. Therefore, we declined to preempt state regulation of a LEC's rates for interconnection may be so high as to effectively preclude interconnection. This would negate the federal decision to permit interconnection, thus potentially warranting our preemption of some aspects of particular intrastate charges.

229. The Commission has allowed LECs to negotiate the terms and conditions of interconnection with cellular carriers. We required these negotiations to be conducted in good faith. The Commission stated, "we expect that tariffs reflecting charges to cellular carriers will be filed only after the co-carriers have negotiated agreements on interconnection." We also preempted any state regulation of the good faith negotiation of the terms and conditions of interconnection between LECs and cellular carriers. The Notice, however, requested comment on whether we should require LECs to file tariffs specifying interconnection rates for PCS providers.

230. We see no distinction between a LEC's obligation to offer interconnection to Part 22 licensees and all other CMRS providers, including PCS providers. Therefore, the Commission will require LECs to provide reasonable and fair interconnection for all commercial mobile radio services. The Commission finds it is in the public interest to require LECs to provide the type of interconnection reasonably requested by all CMRS providers. The Commission further finds that separate interconnection arrangements for interstate and intrastate commercial mobile radio services are not feasible (i.e., intrastate and interstate interconnection in this context is inseverable) and that state regulation of the right and type of interconnection would negate the important federal purpose of ensuring CMRS interconnection to the interstate network. Therefore, we preempt state and local regulations of the kind of interconnection to which CMRS providers are entitled.

 $^{21}$  For purposes of this letter Halo does not challenge this claim. Halo, however, reserves the right to do so. For the record, however, Halo has not submitted a "bona fide request" under § 251(f) and does not intend to do so now or in the future.



<sup>&</sup>lt;sup>20</sup> Second Report and Order, *In the Matter of Implementation of Sections 3(n) and 332 of the Communications Act Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, FCC 94-31, ¶¶ 227-230, 9 FCC Rcd 1411, 1497-1498 (1994) (noted omitted):

<sup>227.</sup> The Notice refers to the right of mobile service providers, particularly PCS providers, to interconnect with LEC facilities. The "right of interconnection" to which the Notice refers is the right that flows from the common carrier obligation of LECs "to establish physical connections with other carriers" under Section 201 of the Act. The new provisions of Section 332 do not augment or otherwise affect this obligation of interconnection.

by Halo. There is no written agreement in place between Halo and these RLECs. Halo is satisfied with the resulting current default "bill and keep" arrangement for reciprocal compensation, and believes that this arrangement constitutes "reasonable compensation" for purposes of 47 C.F.R. § 20.11(b)(1) and (2). The RLECs apparently disagree and instead desire to be paid for transport and termination. The first contact Halo had with any of them after they observed Halo traffic coming to them via the AT&T tandem the carriers was the receipt of *access charge* invoices to Halo. *But see* 47 C.F.R. § 20.11(d). Halo disputed the access charge billings, as it is allowed to do under § 20.11. Respective counsel for both RLEC groups contacted Halo and the parties had various discussions. If is fair to say that "disputes exist as to whether and how reciprocal compensation payment obligations arise in the absence of an agreement or other arrangement between the originating and terminating carriers." *See T-Mobile Order* ¶ 4. *See also* ¶¶ 6-7 and compare to the situation described below.

The *T*-Mobile Order prescribed a very specific remedy for these exact circumstances. The Commission promulgated two new subsections to 47 C.F.R. § 20.11. First, the Commission agreed with the CMRS providers that default tariffing should no longer be allowed, and created § 20.11(d) to expressly prohibit LEC attempts to "impose compensation obligations for traffic not subject to access charges upon commercial mobile radio service providers pursuant to tariffs." The Commission in turn realized that as a result of this new prohibition CMRS providers would no longer have any incentive, practical requirement or any legal compulsion to become requesting carriers. Given that neither § 252 nor § 332(c) provide a means for ILECs to seek compulsory negotiations, the FCC used its rulemaking authority under § 332 and amended "our rules to clarify that an incumbent LEC may request interconnection from a CMRS provider and invoke the negotiation and arbitration procedures set forth in section 252 of the Act." T-Mobile Order ¶9.<sup>22</sup> The result is that CMRS providers are allowed to continue indirect interconnection without first establishing a written contract imposing any specific compensation obligation.<sup>23</sup> If an ILEC wants to require that one be created, all it has to do is send a formal notice to the CMRS provider and (1) "request interconnection"; (2) "invoke the negotiation and arbitration procedures in section 252 of the Act" and (3) in the original notice letter or at least at some point before seeking a state commission arbitration it must request that the CMRS provider "submit to arbitration by the state commission." The Commission did not require the CMRS provider to begin this process or take any initial action. The ILEC must invoke the rule and take these three steps.<sup>24</sup> When the ILEC does so, the CMRS provider must negotiate in good faith and must submit to state level arbitration upon request.

Further, we directly address the concern of small incumbent LECs that they would be unable to obtain a compensation arrangement without tariffs by providing them with a new right to initiate a



<sup>&</sup>lt;sup>22</sup> The rule amendment was a new subsection (e), which provides:

<sup>(</sup>e) An incumbent local exchange carrier may request interconnection from a commercial mobile radio service provider and invoke the negotiation and arbitration procedures contained in section 252 of the Act. A commercial mobile radio service provider receiving a request for interconnection must negotiate in good faith and must, if requested, submit to arbitration by the state commission. Once a request for interconnection is made, the interim transport and termination pricing described in § 51.715 of this chapter shall apply.

 $<sup>^{23}</sup>$  The ILECs here contend that Halo had some duty to establish a written obligation prior to delivering traffic through indirect interconnection. That is inconsistent with the Commission's interpretation of the applicable law in the *T-Mobile Order*.

<sup>&</sup>lt;sup>24</sup> *T-Mobile Order* Regulatory Flexibility Analysis, ¶ 20:

The difficulties between Halo and all of the RLECs arises entirely from Mr. Johnson's clients' steadfast refusal to use – and in the case of Mr. England's<sup>25</sup> clients, correctly invoke – the remedy the Commission crafted for these very companies in *T-Mobile*. Citizens and Green Hills were part of the "Missouri Small Telephone Company Group" and were represented by the same counsel as today.<sup>26</sup> Chariton Valley, Mid-Missouri and Northeast Missouri also participated in *T-Mobile* and they used the same counsel as today.<sup>27</sup> Despite their clear knowledge and background from the case each of them sent access tariff billings to Halo, and took offense when Halo disputed the access billings based on § 20.11(d). Halo painstakingly explained the course of action each of them could take to benefit from § 20.11(e),<sup>28</sup> but each of them has refused to "request interconnection" and/or properly "invoke the negotiation and arbitration procedures in section 252 of the Act." None of them has to date sent a request that Halo submit to state commission arbitration. *See* Exhibits 2 through 33.

Halo attempted to conduct substantive discussions regarding potential terms notwithstanding its position that the ILECs were not following the rule. *Id.* Apparently the RLECs expected Halo to simply sign their proffered terms containing non-cost-based prices using legacy interconnection methods rather than modern IP-based technology and would not seek negotiated (and, if necessary, arbitrated) terms applying the substantive standards in the Act and Commission rules regarding § 251(b) and (c) and the cost principles in § 252(d). They were not anxious to produce the kind of information they are required to provide under 47 C.F.R. § 51.301(c)(8)(i) and (ii).<sup>29</sup> They do not want to discuss technically-feasible direct interconnection using IP rather than legacy circuit-switched arrangements. In order to avoid having to deal with the result of the *ILEC* requesting interconnection and invoking § 252, they are engaging in unreasonable strong-arm tactics by illegally instituting traffic blocking until <u>Halo</u> waives its rights and submits to their unilaterally imposed terms or becomes a requesting carrier. The significant difference in results that they could obtain at the state level depending on which entity is the requesting carrier will be explained below.

Citizens and Green Hills contend that they have in fact properly invoked § 20.11(e). Halo disagrees, for they have not "requested interconnection." *See* Exhibit 11. Nonetheless, Halo engaged in substantive discussions with these two RLECs, yet they chose to persist in blocking notwithstanding that Halo met the illegal and unreasonable conditions they had unilaterally set to

section 252 process through which they can obtain a reciprocal compensation arrangement with any CMRS provider.

<sup>&</sup>lt;sup>29</sup> Halo indicated both in writing and orally that it desired information about the ILECs' network that Halo reasonably requires to identify the network elements that it needs in order to serve a particular customer, and cost data that would be relevant to setting rates if the parties were in arbitration. *See* Exhibits 4 and 8. The ILECs have refused to provide this information. Instead they walked away and chose to block Halo's traffic.



<sup>&</sup>lt;sup>25</sup> The reference to counsel by name is not intended to be personal, nor should it be taken as such. It is merely easier to group the RLECs by the two counsels. The two groups have approached this matter in slightly different fashion but the actions within each group were entirely consistent, except for timing.

<sup>&</sup>lt;sup>26</sup> See Docket 01-92, Comments of Missouri Small Telephone Company Group, August 17, 2004, available at <u>http://fjallfoss.fcc.gov/ecfs/document/view?id=6516287827</u>.

<sup>&</sup>lt;sup>27</sup> See, e.g., Docket 01-92, Motion to Dismiss of Missouri Independent Telephone Group, p. 1, note 1, August 3, 2004, available at <u>http://fjallfoss.fcc.gov/ecfs/document/view?id=6516286469</u>.

 $<sup>^{28}</sup>$  This should not have been necessary since all of the ILEC defendants were active participants in *T-Mobile* and, as such, they should be able to follow the rule the FCC wrote just for them.

avoid blocking.<sup>30</sup> See Exhibits 5, 11, 17 and 22. The other RLECs – through counsel – initially sent an email that appeared to try to invoke § 20.11(e), but they now take the position that, for example, "Mid-Missouri has not requested interconnection agreement negotiations with Halo. Mid-Missouri has informed Halo that it can avoid the blocking request by requesting negotiations with Mid-Missouri to adopt or establish an interconnection agreement."<sup>31</sup> See Exhibit 13. Indeed, the assertions made by the RLECs to Halo are astoundingly similar to the arguments they made to the Commission in *T-Mobile*.<sup>32</sup> The Commission granted these very companies relief in the form of the right to force § 252 procedures, but they are now refusing to avail themselves of that vehicle. Instead, they have returned to access charge billings and blocking.

These RLECs are not using the process the Commission gave them the last time they caused the same problems, and have now violated multiple provision in the Act and Commission rules by demanding access payment and blocking traffic unless and until Halo concedes to their demands.

3. The RLECs' blocking threats and then consummation of the threat.

Halo is providing the blocking-related documents, including:

- Initial requests for blocking by the LECs listed above.
- Halo's response to the request for blocking by some of the LECs. Halo has not responded to the Northeast Missouri Rural Telephone Company, Chariton Valley or Mark Twain requests, largely because the prior responses were essentially ignored and doing so would be fruitless.

<sup>31</sup> See Exhibit 28.

 $<sup>^{32}</sup>$  Compare T-Mobile note 35 description of Alliance of Incumbent Rural Independent Telephone Companies T-Mobile Comments at 5 ["claiming that it is the CMRS providers that have elected to bypass the negotiation process by establishing indirect interconnection with incumbent LECs without any agreement to do so" and ¶ 8 [stating rural alliance argument that "in the absence of an agreement or other arrangement, wireless termination tariffs are the only mechanism by which they can obtain compensation for terminating this traffic" with Mid-Missouri counsel March 7 letter. ["Instead of complying with the law, and with an interconnection agreement approved by the State of Missouri, Halo sent Mid-Missouri terminating traffic without any notice or opportunity to develop the reciprocal compensation and exchange access arrangements required for these types of traffic. Mid-Missouri billed the correct exchange access rates for this traffic, the only compensation mechanism available to Mid-Missouri as Halo failed to obtain an agreement with Mid-Missouri as required by law."]



<sup>&</sup>lt;sup>30</sup> See Exhibit 4. ["In order for Halo Wireless to avoid having its traffic blocked on the LEC-to-LEC Network beginning on March 1, 2011, Halo must: (1) agree to enter into good faith negotiations to establish a reciprocal compensation agreement consistent with the Telecommunications Act for the exchange of and compensation for local traffic; and (2) comply with the requirements of the MoPSC CARE Rule, in particular, to immediately cease and desist from sending any interLATA wireline traffic to Citizens and Green Hills for termination. These actions must be taken on or before February 18, 2011."] Halo did engage in good faith negotiations. The condition concerning "interLATA wireline traffic" is a purposeful and incorrect mischaracterization and attempts to prevent Halo from providing its CMRS service based on the ILECs' unilateral demands rather than the requirements in the Act and Commission rules. Regardless, this would and should be a matter for negotiation and if necessary arbitration. 47 C.F.R. § 51.301(c)(5) expressly provides that "… coercing another party into reaching an agreement that it would not otherwise have made" violates the duty to negotiate in good faith. Blocking traffic in this manner unless Halo agrees to waive its rights is patent coercion. This is one of the causes of action Halo intends to raise in this matter.

• Letters by counsel for some of the RLECs indicating they do not agree to withdraw or defer the blocking requests.

The blocking correspondence refers to some Missouri PSC rules. Those rules can be found at: <u>http://www.sos.mo.gov/adrules/csr/current/4csr/4c240-29.pdf</u>

The Missouri Enhanced Record Exchange Rules ("CARE rules") do not apply on their face. The notices justify blocking on 4 CSR 240-29.130(2). This is the rule that AT&T perceives to require it to block upon the request. It provides:

(2) A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver originating caller identification

While the RLECs may each be a "terminating carrier" under the rules, Halo is not an "originating carrier" <u>as the rules define that phrase</u>. 4 CSR 240-29.020(29) defines an "originating carrier" as:

(29) Originating carrier means <u>the telecommunications company</u> that is responsible for originating telecommunications traffic that traverses the LEC-to-LEC network. A telecommunications company whose retail telecommunications services are resold by another telecommunications company shall be considered the originating carrier with respect to such telecommunications for the purposes of this rule. A telecommunications company performing a transiting traffic function is not an originating carrier. (emphasis added)

Halo is the source of traffic going to AT&T and presumably to the RLECs involved. Halo, however, is not a "telecommunications company" under the state statute and thus it cannot be an "originating carrier" under the CARE rules. 4 CSR 240-29.020(34) has a specific definition of "telecommunications company": "those companies as set forth by section 386.020(51),<sup>33</sup> RSMo Supp. 2004." Under the cited Missouri statutory provision:

(52) "Telecommunications company" includes telephone corporations as that term is used in the statutes of this state and every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating, controlling or managing any facilities used to provide telecommunications service for hire, sale or resale within this state; (emphasis added)

This definition clearly provides that an entity is a "Telecommunications company" only if it provides a "telecommunications service." The statute defines that term in subpart (54):

(54) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any

 $<sup>^{33}</sup>$  The rule cites to subsection (51) but the correct reference is obviously subsection (52).



form of writing, signs, signals, pictures, sounds, or any other symbols. <u>Telecommunications service does not include</u>:

[...]

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

Halo is a CMRS provider and is operating pursuant to an FCC Radio Station Authorization that grants federal permission to offer interconnected common carrier service on a nationwide basis. Under the Missouri statute's definition, this is not a "telecommunications service." Halo is therefore not a "telecommunications company," and, as a consequence, cannot be an "originating carrier" under the CARE rules.

Finally, the interface between Halo and AT&T is "Type 2A." Halo's CMRS network uses 4G protocols. Halo's traffic therefore cannot be said to "originate via the use of feature group C protocol." *C.f.*, 4 CSR 240-29.020(1), (13), (18). Therefore 4 CSR 240-29.040(1) does not apply. Once again, this means that Halo's traffic is simply not captured within the express terms of the CARE Rules.

The CARE rules do not apply and do not cover any of Halo's traffic. Even if the CARE rules could be said to apply, the prerequisite of non-payment of "compensable amounts" is not met because no compensation is in fact yet due. There are several other reasons blocking is not allowed under the CARE rules that need not be addressed at this time. Halo will not be using the processes set out in 4 CSR 240-29.120(5).

State rules cannot authorize the blocking of interstate traffic. Nor can state rules impose obligations that go beyond those imposed by the FCC with regard to signaling or negotiations, including the processes or who has the burden. The rules do not apply, so the recourse made available within them is inappropriate. Instead, given the fact that a large proportion of the traffic is jurisdictionally interstate and blocking even intrastate traffic frustrates Halo's federal right to interconnect, Halo is seeking relief at the Commission.

4. The § 251(f) rural exemption leads to significant outcomes depending on whether Halo or the RLECs is the "requesting carrier" and § 252 arbitration becomes necessary.

Halo provides "telephone exchange service" and "exchange access" and direct interconnection for those two services is dealt with only through § 251(c).<sup>34</sup> If there is to be a

The Commission disagrees with Sprint's contention that it can receive interconnection through FTA § 251(a) to offer and provide telephone exchange service. FTA § 251(c)(2) provides, in part, that an ILEC is obligated to provide interconnection for the transmission and routing of "telephone exchange service" and exchange access. FTA § 251(a), however, does not require ILECs or other telecommunications carriers to interconnect for the express purpose of exchanging traffic relating



<sup>&</sup>lt;sup>34</sup> The Texas PUC adopted this straightforward reasoning in the Sprint/Brazos decision affirmed by the federal district court (both cited above)(emphasis added):

In reviewing the briefs submitted in this case, it is clear that Sprint's request is expressly for the ability to offer and provide telephone exchange service. In order for Sprint to accomplish this, Sprint stated that it must be able to connect with other carrier's networks in order to exchange traffic, specifically "telephone exchange" traffic. Sprint argued that it seeks interconnection only through FTA § 251(a), and not (c).

price for transport and termination then that is of course important and Halo obviously wants that price to be set consistent with statutory standards, *e.g.*, TELRIC. At this point, however, the only reason Halo has any incentive to become a requesting carrier would be to obtain direct interconnection with the RLECs, or if Halo desired to actualize some of the other "LEC" duties arising from § 251(b), such as resale or access to structure.<sup>35</sup>

Let us assume that Halo succumbed to the ILEC's demands that <u>Halo</u> become a requesting carrier and in that fashion the parties begin "the negotiation and arbitration procedures in section 252 of the Act" and do not reach a fully negotiated set of terms. Assume one or the other files an arbitration petition with the Missouri PSC under § 252(b)(1). The state commission is supposed to "resolve each issue set forth in the petition and the response, if any, by imposing appropriate conditions as required to implement subsection (c) upon the parties to the agreement." *See* § 252(b)(4)(C). The "subsection (c)" implementation requirement relates to "(1) ensur[ing] that such resolution and conditions meet the requirements of section 251, including the regulations prescribed by the Commission pursuant to section 251"; and "(2) establish[ing] any rates for interconnection, services, or network elements according to subsection (d)." Subsection (d), in turn, speaks to the substantive pricing standards for implementing § 251(b)(5) and (251(c).

Each of the non-AT&T ILECs, however, asserts rural status as an RLEC and an exemption from §251(c) duties and obligations. Presumably they will claim that the cost-based pricing requirements in §252(d) for interconnection or transport and termination also do not apply. Halo has already faced this issue in other states. For example, in Texas Mid-Plains Rural Cooperative asserts that "rural telephone companies like Mid-Plains are exempt from TELRIC pricing standards" and instead the applicable "standard" is considerably more subjective: "just, reasonable and nondiscriminatory." This Texas RLEC advised Halo that it does not have any TELRIC studies for transport and termination and would not be conducting any notwithstanding that the RLEC is simultaneously claiming that the parties are using "the negotiation and arbitration procedures in section 252 of the Act." *See* Exhibit 35.

Given that the duty to negotiate in good faith to implement § 251(b)(5) is contained in § 251(c)(1), the RLECs are certain to argue they are exempt from that duty as well. If that proposition is accepted, then there is nothing for the state to arbitrate, and no remaining standards the state commission must apply to prescribe pricing terms to implement either interconnection or reciprocal compensation. The rural exemption has eliminated every topic and every standard that the "negotiation and arbitration procedures in section 252" is all about. We have a process, but no substance, no standards, no requirements and no duties. In that situation, there is a fairly compelling argument that there is in fact no arbitration to be had at all.



to telephone exchange service. FTA § 251(a) encompasses a broad duty to interconnect for all carriers. <u>The duty of an ILEC to provide interconnection for purposes of exchanging "telephone</u> exchange service" is solely and expressly an FTA § 251(c) obligation.

<sup>&</sup>lt;sup>35</sup> Halo does not need an interconnection agreement to obtain number portability. *See* Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, *In the Matter of Telephone Number Portability, CTIA Petitions for Declaratory Ruling on Wireline-Wireless Porting Issues*, CC Docket No. 95-116, FCC 03-284, ¶ 34, 18 FCC Rcd 23697 (2003)

Most RLECs have so asserted,<sup>36</sup> at least two states – Texas<sup>37</sup> and Maine<sup>38</sup> – have agreed, and so has at least one federal court.<sup>39</sup> NARUC filed an *ex parte* with the Commission only a few days ago in WC Docket 10-143 and expressed the view that state level arbitration is not available against a rural carrier because the rural exemption from § 251(c) also operates to immunize an RLEC from arbitration with regard to § 251(b) duties. *See* Exhibit 34.<sup>40</sup> Thus, if <u>Halo</u> were to become the requesting carrier there is a substantial possibility that Halo could not actually secure the "arbitration" part in "the negotiation and arbitration procedures in section 252 of the Act."

As noted, Halo is satisfied – for now – with the current informal "bill and keep" arrangement using indirect interconnection. The RLECs, of course, are the ones that want to establish a price for transport and termination, and it seems quite fair to require them to take the initiative. If Halo is for some reason required to dedicate the resources to negotiating (and, if necessary, arbitrating or litigating over any unresolved issues) then Halo will want to address far more than just the price for traffic each party terminates over indirect interconnection. For example, traffic volumes in the future may be sufficient to warrant direct interconnection rather than the current indirect arrangement via AT&T's tandem. Given the RLECs' exemption from §

http://mpuc.informe.org/easyfile/easyweb.php?func=easyweb\_docview&docid=68344&img\_rng=205545&vol\_id=1:

<sup>&</sup>lt;sup>40</sup> NARUC *ex parte* filing, *In the Matter of Petition of CRC Communications of Maine, Inc. and Time Warner Cable, Inc. for Preemption Pursuant to Section 253 of the Communications Act, as Amended,* Docket No. WC 10-143, March 18, 2011, available at <u>http://fjallfoss.fcc.gov/ecfs/document/view?id=7021034773</u>.



<sup>&</sup>lt;sup>36</sup> Comcast recently filed an *ex parte* advising the Commission that RLECs in Vermont are refusing to negotiate under § 252 given their § 251(f) exemption. *See* Comcast *ex parte* filing, *In the Matter of Petition of CRC Communications of Maine, Inc. and Time Warner Cable, Inc. for Preemption Pursuant to Section 253 of the Communications Act, as Amended,* Docket No. WC 10-143, February 17, 2011, available at http://fjallfoss.fcc.gov/ecfs/document/view?id=7021029946.

<sup>&</sup>lt;sup>37</sup> Texas PUC Docket 31038, Petition of Sprint Communications Company L.P. For Compulsory Arbitration Under the FTA to Establish Terms and Conditions for Interconnection Terms With Brazos Telecommunications Inc., Order Denying Sprint's Appeal of Order No. 1 (Dec. 2, 2005), available at

http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/31038 40 497828.PDF ["Accordingly, the Commission finds that Sprint is requesting interconnection under FTA § 251(c)(2), and therefore, Sprint is required to petition to lift BTI's rural exemption under FTA § 25 l(f)( l)(A) before proceeding to negotiate and arbitrate an interconnection agreement. Until Sprint seeks termination of BTI's rural exemption and the Commission makes a determination regarding same, BTI is not obligated to negotiate and arbitrate an interconnection agreement with Sprint."]

<sup>&</sup>lt;sup>38</sup> Order, *CRC Commc'ns o/Me., Inc. Petition/or Consol. Arbitration with Indep. Tel. Cos. Towards an Interconnection Agreement Pursuant to 47 U.S.C. 251, 252*, No. 2007-611, at 14 (Me. Pub. Utils. Comm'n May 5, 2008), available at

A rural ILEC is not exempt from the obligations set forth in §251(a) and §251(b). We are unable, however, to find in the text of the TelAct language conferring upon this Commission authority to directly enforce the requirements of §251(a) and §251(b). Instead, the TelAct contemplates only that the requirements of §251(a) and §251(b) will be enforced by a state commission in the context of its authority to arbitrate "open issues" remaining after voluntary negotiations have yielded incomplete results. Again, however, rural ILECs are exempt from the duty to negotiate in good faith. *Until and unless the rural exemption is lifted, there is, quite simply, nothing to arbitrate*. (emphasis added).

<sup>&</sup>lt;sup>39</sup> Sprint Communs. Co. L.P. v. PUC, 2006 U.S. Dist. LEXIS 96569 \*15 (W.D. Tex. Aug. 14, 2006) ["The Court further notes that § 251(a) and (b) say nothing at all about 'agreements,' 'negotiations,' or 'arbitration.' 47 U.S.C. § 251(a) and (b). Although there are duties established by § 251(a) and (b), and such duties apply to Brazos, the Court cannot find any language in the Act indicating that these duties independently give rise to a duty to negotiate or to arbitrate."]

251(c), however, Halo as a requesting carrier would have no way to force them to negotiate in good faith toward reasonable terms for direct interconnection using "the negotiation and arbitration procedures in section 252 of the Act," and so state-level arbitration is not an option if and to the extent Halo is the requesting carrier.

The RLECs are not exempt from § 332(c)(1)(B) and rule 20.11(a).<sup>41</sup> Those "interconnection" requirements are independent and separate from §§251 and 252, although there is certainly considerable overlap.<sup>42</sup> One might think that this separate set of obligations could be used and applied with regard to the RLECs within the context of § 252, but one would be wrong. *See Core Communications, Inc. v. SBC Communications, Inc.*, Memorandum Opinion and Order, 19 FCC Rcd 8447, ¶ 18 (2004) ("Neither the general interconnection obligation of section 251(a) nor the interconnection obligation arising under section 332 is implemented through the negotiation and arbitration scheme of section 252."); *Qwest Corp., Notice of Apparent Liability for Forfeiture*, 19 FCC Rcd 5169, ¶ 23 (2004) (defining the term "interconnection agreement" for purposes of section 252, as limited that term to those "agreement[s] relating to the duties outlined in sections 251(b) and (c)"); *see also, e.g., Qwest Corp. v. Public Utils. Comm'n of Colo.*, 479 F.3d 1184, 1197 (10th Cir. 2007) ("[T]he interconnection agreements that result from arbitration necessarily include only the issues mandated by § 251(b) and (c)."). *See even further Fitch v. PUC*, 261 Fed. Appx. 788, 792 (5th Cir. Tex. 2008).<sup>43</sup>

Halo cannot be reasonably expected to itself invoke a process leading to a state-level proceeding to set "appropriate conditions" when (1) it is not clear the state has or will exercise jurisdiction; (2) the provisions in the Act that establish the substantive standards for "appropriate conditions" are said to not apply; (3) the process to be used is principally designed to implement a duty that is claimed not to be at issue; and (4) it is likely that only the issues the RLECs want addressed will be resolved and in a context where Halo will bear a considerable cost, yet receive little, if any, benefit – particularly since Halo probably could not secure direct interconnection

Affordable's argument must fail. The FCC has clearly directed state commissions to arbitrate LEC-CMRS interconnection agreements under §§ 251 and 252, concluding that state commission arbitration proceedings would achieve "just, reasonable, and fair" agreements, which is the "common goal" of §§ 201, 332, 251, and 252. *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, First Report and Order, 11 F.C.C.R. 15499, 16005 P 1023 (Aug. 8, 1996).



<sup>&</sup>lt;sup>41</sup> (a) A local exchange carrier must provide the type of interconnection reasonably requested by a mobile service licensee or carrier, within a reasonable time after the request, unless such interconnection is not technically feasible or economically reasonable. Complaints against carriers under section 208 of the Communications Act, 47 U.S.C. 208, alleging a violation of this section shall follow the requirements of §§ 1.711-1.734 of this chapter, 47 CFR 1.711-1.734.

<sup>&</sup>lt;sup>42</sup> See Local Competition Order ¶¶ 1022-1026.

<sup>&</sup>lt;sup>43</sup> First, Affordable contends that the PUCT erred when it refused to arbitrate Affordable's claims under 47 U.S.C. §§ 201, 332(c)(1)(B) and 47 C.F.R. § 20.11. It also asserts that the district court erroneously concluded that § 332 is "outside the scope of an arbitration under § 252." In making this claim, Affordable recognizes that the FCC prefers that LEC-CMRS disputes are handled through the negotiation/arbitration process that was adopted in §§ 251/252 of the 1996 amendments, but Affordable nevertheless asserts that the FCC has also "taken great care to ensure that where § 332 or FCC wireless precedent requires a different substantive result than would the 1996 amendments standing alone, then its CMRS rules prevail."

under any arrangement other than access tariffs. The RLECs want to change the compensation relationship and they have a mechanism they are refusing to use (or properly invoke).

The RLECs' clear goal in their varied efforts is to untether the substance in §§ 251 and 252 from the § 252 process by functionally requiring Halo to "negotiate and enter into a binding agreement with the requesting telecommunications carrier or carriers without regard to the standards set forth in subsections (b) and (c) of section 251" (*see* § 252(a)(1)) and secure the opportunity to have the state commission arbitrate "open issues" also without regard to the statutory standards. The RLECs appear to be strategically gaming the process to prevent this opportunity, or to at least structure the matter so that the state can refuse to apply § 251(c) "technically feasible" standards and even the § 332(c)(1)(B)/20.11(a) "reasonably requested unless not technically feasible or economically reasonable" standard for physical interconnection. Halo has every right to not volunteer to begin this kind of wide open, standardless, state-level case when there is no potential benefit whatsoever and clearly a significant cost.<sup>44</sup>

The rule requires three things. Two of those things, once taken, impose the duty to negotiate. The last is only necessary if the RLEC intends to be the petitioner for state-level arbitration, and it can come at any point up to the day a state-level petition is filed. There must be (1) A request for "interconnection"; (2) An invocation of the negotiation and arbitration procedures in § 252; and before the state petition is filed; (3) a request that the CMRS provider submit to state arbitration.

There are significant and substantial reasons the FCC required each of the three steps in 20.11 in order to invoke § 252, for substantive consequences flow from each. For example, the requirement that the RLEC "request interconnection" was put in place to eliminate any question that § 251(c) is involved, and the state commission can actually *conduct* a § 252 arbitration. The RLECs have very carefully *not* requested interconnection. They deride Halo's insistence that they request interconnection, but have not yet stated a valid reason why the Commission referred three times to a required "request for interconnection" in § 20.11(e). In *T-Mobile* the CMRS providers and the ILECs were already indirectly interconnected, and the Commission was well aware of that. *See T-Mobile Order* ¶ 5.<sup>45</sup> Further, the Commission is well aware that "interconnection" under § 251(a) and 251(c)(2) (along with the "physical connections" referred to in § 332(c)(1)(B) [which in turn implements the "physical connection" aspects of § 201(a)] means "the linking of two networks for the mutual exchange of traffic. This term does not include the transport and termination of traffic." *See* 47 C.F.R. 51.5. *See also Competitive Telcoms. Ass'n v. FCC*, 117 F.3d 1068, 1071 (8th Cir. 1997). The Commission did not provide that RLECs could "request a reciprocal compensation arrangement under § 251(b)(5)," which is

As the Commission recognized in the *Intercarrier Compensation NPRM*, CMRS providers typically interconnect indirectly with smaller LECs via a Bell Operating Company (BOC) tandem. In this scenario, a CMRS provider delivers the call to a BOC tandem, which in turn delivers the call to the terminating LEC. The indirect nature of the interconnection enables the CMRS provider and LEC to exchange traffic even if there is no interconnection agreement or other compensation arrangement between the parties.



<sup>&</sup>lt;sup>44</sup> Halo has clearly and repeatedly informed the RLECs that we will negotiate, using any of the three available contexts (§ 201/§ 332(c); § 251(a); § 252), at any time once the RLEC clearly identifies which track it desires to use and properly meets any procedural prerequisites. Once the context is firmly established, Halo will dutifully implement the appropriate standards and rules, and use the resulting process applicable within that context.

separate from "interconnection." The FCC required RLECs to "request interconnection" and was therefore going beyond mere establishment of a means for payment of transport and termination. Given the clear understanding that the carriers involved would already be indirectly interconnected, the Commission had to be requiring that the RLEC go to the CMRS provider and seek to establish *direct* physical connections, *e.g.*, interconnection.<sup>46</sup>

When the RLEC does "request interconnection" it will in effect become the requesting carrier for physical interconnection and will be submitting to state commission jurisdiction to establish terms for all § 251(b) and (c) duties. The Commission had to be aware that its carefully chosen words would subject the RLECs to direct interconnection and the resulting competition at least with regard to CMRS - and effectively skip over the § 251(f) exemption that otherwise immunizes the RLECs from competition. In the same way the FCC was using its independent power over LEC-CMRS interconnection under § 332(c)(1)(B) to allow ILECs to functionally be a requesting carrier even though this was not otherwise possible under § 252, the Commission was imposing a \$ 251(c)(2) direct interconnection obligation – along with the standards in \$252(d)(1) – for RLECs notwithstanding § 251(f). There was a careful and purposeful balance: the RLECs can now be requesting carriers and force CMRS providers to enter an agreement that provides for transport and termination. But there is a price: they cannot do so while still hiding behind the rural exemption from § 251(c).<sup>47</sup> Both sides suffer and each can benefit. Competition wins all around. That fully explains the finding that under its *T-Mobile* result "[a]though establishing contractual arrangements may impose burdens on CMRS providers and LECs, including some small entities, that do not have these arrangements in place, we find that our approach in the Order best balances the needs of incumbent LECs to obtain terminating compensation for wireless traffic and the pro-competitive process and policies reflected in the 1996 Act." T-Mobile Regulatory Flexibility Analysis ¶ 21 (emphasis supplied).

The RLECs have realized that they cannot both get paid and avoid facing the prospect of direct interconnection under § 251(c)(2) using technically feasible methods – in this case via IP. Therefore, they are running away from the *T-Mobile* option and resorting to coercion by getting AT&T to block traffic.

5. The RLECs' allegations of improper CPN signaling and carriage of "wireline interLATA traffic" are not a justification for blocking.

The RLECs' counsel made two allegations in recent correspondence they may raise in response to Halo's filing. First, the RLECs accuse Halo of not correctly signaling CPN information. Second, the RLECs assert that at least some of the traffic is "wireline" "interLATA" traffic that should not be routed over CMRS interconnection. *See* Exhibits 31 and 34 through 37.

A. Halo assiduously follows industry practices and even the Commission's proposed "phantom traffic" rules with regard to signaling.

 $<sup>^{47}</sup>$  If the defendants do not want to pay this price in order to get the benefit of being paid for transport and termination then they can simply leave the current bill and keep arrangement in place. Or, they can use the alternative mechanisms in §§ 201, 251(a) or 332(c)(1)(B). Halo has repeatedly offered to use each of those alternative processes. Exhibits 4, 8, 11, 17, 18 and 19.



<sup>&</sup>lt;sup>46</sup> During negotiations the parties can, of course, decide to enter a voluntary agreement acceptable to all and to do so without regard to the standards in the Act, and thereby voluntarily maintain § 251(a) indirect interconnection. But clearly the drafter of the order recognized that absent the presence of a § 251(c)(2) requirement and request there can be no state arbitration, and indeed no § 252 process at all.

Citizens and Green Hills' March 9, 2011 letter (Exhibit 31) asserts:

Since our call, Citizens and Green Hills inform me that as of mid-February of this year, in a substantial number of cases, they are no longer able to identify in the designated calling number field the actual calling party number (CPN) of Halo originated calls terminating to Citizens and Green Hills. Since mid-February, thousands of calls transported by Halo to Citizens and Green Hills for termination are now showing a CPN of (816) 912-1901 instead of the "true" CPN. Not only does this appear to be a violation of the Commission's Enhanced Record Exchange (ERE) Rules in 4 CSR 240-29.040(1) or (2), but it also appears to be a violation of the Federal "Truth in Caller ID Act" which prohibits any caller identification service to "knowingly transit misleading or inaccurate caller identification information with the intent to defraud, cause, harm or wrongfully obtain anything of value."

The RLECs factual assertions are wrong, and demonstrate a fundamental misunderstanding of the technology involved. They also are asserting that when Halo follows industry practices and is exactly compliant with even the FCC's proposed "phantom traffic" signaling rules it is violating the law and engaging in fraudulent practices. Halo strongly disputes these factual and legal contentions.

Halo believes that this issue – if the RLECs persist in the allegations they made in some of their correspondence – may well be the only issue for which there are seriously contested facts. For the record, Halo does not manipulate CPN information in any way. Halo is passing CPN in complete accord with industry practices, and is also populating the Charge Number parameter, when appropriate, using industry practices. Further, Halo is in exact compliance with even the Commission's *proposed* "phantom traffic" rules laid out in NPRM and FNPRM, *Connect America Fund et al.*, WC Docket Nos. 10-90 *et al.*, FCC 11-13, \_ FCC Rcd. \_(Feb. 9, 2011), 76 Fed. Reg. 11632 (March 2, 2011) ("2011 ICC NPRM").<sup>48</sup> Nor is there any violation of

<sup>(1)</sup> Telecommunications providers and entities providing interconnected voice over Internet protocol services who originate interstate or intrastate traffic on the public switched telephone network, or originate interstate or intrastate traffic that is destined for the public switched telephone network, are required to transmit the telephone number received from, or assigned to or otherwise associated with the calling party to the next provider in the path from the originating provider to the terminating provider, where such transmission is feasible with network technology deployed at the time a call is originated. The scope of this provision includes, but is not limited to, circuit-switched and packetized transmission, such as Internet protocol and any successor technologies. Entities subject to this provision who use Signaling System 7 are required to transmit the calling party number (CPN) associated with every interstate or intrastate call in the SS7 CPN field to interconnecting providers, and are required to transmit the calling party's charge number (CN) in the SS7 CN field to interconnecting providers for any call where CN differs from CPN. Entities subject to this provision who are not capable of using SS7 but who use multifrequency (MF) signaling are required to transmit CPN, or CN if it differs from CPN, associated with every interstate or intrastate call, in the MF signaling automatic numbering information (ANI) field.



<sup>&</sup>lt;sup>48</sup> Halo's practices exactly match with and conform to the requirements in proposed 47 C.F.R. § 64.1601(a)(1) and (2) as they appear at 41 Fed. Reg. 11662-11663 (2011):

<sup>§ 64.1601</sup> Delivery requirements and privacy restrictions.

<sup>(</sup>a) Delivery. Except as provided in paragraphs (d) and (e) of this section:

the "Truth in Caller ID Act" given that – once again – Halo's practices fully meet even the Commission's *proposed rules*.<sup>49</sup>

The CPN and Charge Number content populated by Halo depends on the service package being used by the Halo customer, and the customers' own self-determined actions. The low volume "voice" package employed by Halo at present involves use of a voice "client" operating on a netbook, portable computer, tablet or personal computer that is communicating with the Halo base station using a USB wireless "dongle." Virtually every voice client allows a user to self-determine what "CPN" is ultimately populated by the carrier. Typically, however, low volume customer-related CPN signaling content will be a Halo number and usually it will be a number associated with a rate center that is common to the MTA where the call is going to terminate, if the user typically enjoys service using a base station in that MTA.<sup>50</sup> In addition, there probably would not also be information in the Charge Number parameter since the responsible customer number for billing purposes is the same as the CPN.

The high volume package affords more options and capabilities, and quite often the CPN will not be the same as Charge Number. Halo will receive information from its customer that the customer's CPE has sent to Halo using IP-based technology (usually, SIP, using RFC 3261<sup>51</sup> and RFC 3398<sup>52</sup>). Halo takes the information delivered by the customer, and populates that information in the CPN parameter as part of the Initial Address Message ("IAM"). Halo will then also populate the Charge Number parameter with a telephone number from a CO code assigned to Halo that Halo has then assigned to the customer, which the customer opts to use as their "billing telephone number." Thus, for high volume service, there is typically information in both the CPN parameter and in the Charge Number parameter, and it is often different.

(2) Telecommunications providers and entities providing interconnected voice over Internet protocol services who are intermediate providers in an interstate or intrastate call path must pass, unaltered, to subsequent carriers in the call path, all signaling information identifying the telephone number of the calling party, and, if different, of the financially responsible party that is received with a call, unless published industry standards permit or require altering signaling information. This requirement applies to all SS7 information including, but not limited to CPN and CN, and also applies to MF signaling information or other signaling information intermediate providers receive with a call. This requirement also applies to Internet protocol signaling messages, such as calling party identifiers contained in Session Initiation Protocol (SIP) header fields, and to equivalent identifying information as used in successor technologies.

<sup>&</sup>lt;sup>52</sup> Network Working Group, RFC 3398, INTEGRATED SERVICES DIGITAL NETWORK (ISDN) USER PART (ISUP) TO SESSION INITIATION PROTOCOL (SIP) MAPPING, © The Internet Society (2002), available at <u>http://www.ietf.org/rfc/rfc3398.txt</u>



<sup>&</sup>lt;sup>49</sup> See Notice of Proposed Rulemaking, *In the Matter of Rules and Regulations Implementing the Truth in Caller ID Act of 2009*, WC Docket No. 11-39, FCC 11-41, \_\_ FCC Rcd \_\_\_ (2011), not yet published in Federal Register; available at <u>http://hraunfoss.fcc.gov/edocs\_public/attachmatch/FCC-11-41A1.pdf</u>. The proposed rules insert new definitions in 47 C.F.R. § 64.1600 for "Caller Identification Information," "Caller Identification Service" and "Information Regarding the Origination" and then adds a new 47 C.F.R. § 64.1604 that essentially restates the requirements of the legislation. Halo is complying with all industry conventions for both legacy and IP-based networks regarding the information it populates in all relevant ISUP IAM parameters (including CPN and Charge Number).

<sup>&</sup>lt;sup>50</sup> As noted elsewhere, calls will traverse the AT&T interconnection in an MTA only when the Halo user is connected to the base station serving that MTA.

<sup>&</sup>lt;sup>51</sup> Network Working Group, RFC 3261, SIP: SESSION INITIATION PROTOCOL, © The Internet Society (2002), available at <u>http://www.ietf.org/rfc/rfc3261.txt</u>.

Halo has verified with its third-party SS7 network provider that the IAMs sent from Halo's MSC contain the correct CPN and Charge Number and that the third-party SS7 network provider is forwarding those IAMs on to AT&T unchanged. Halo can only speculate as to what the RLECs are (or are not) seeing in the signaling messages they received from AT&T, since none of the purportedly offending IAMs have been produced by any of the RLECs. If any call signaling information different than as described above is being received by the RLECs, AT&T or the RLECs – rather than Halo – are the ones manipulating or changing the signaling information. Halo believes that the RLECS may be looking at Charge Number rather than CPN and confusing the two. It may be that the RLECs are not looking at actual signaling information, but instead are reviewing end office CDR or AT&T-supplied tandem billing records, which under industry standards sometimes replace original CPN content with the Charge Number content if both exist in signaling and are different.<sup>53</sup> Halo, however, is populating the correct information in the proper SS7 ISUP IAM parameter in full accord with industry practices and even the FCC's proposed rules.

Halo's MSC/SSP faithfully passes on any CPN it receives by populating the CPN parameter in the IAMs to AT&T with the information received from the customer. Halo also populates its customer's billing number in the Charge Number field if the billing number is different than the CPN, since Halo's customer is the "financially responsible party" under industry conventions. Halo does not violate either the legislation or the proposed rule.

If the defendants persist in their accusations regarding Halo's signaling practices Halo reserves the right to seek fee-shifting damages for all the costs it incurs in defending against these claims. The allegation of fraud is particularly vexing, and is something that should not be cavalierly tossed around. Halo strongly suggests that the defendants fully assess their own practices regarding signaling content before they speak again on this particular topic, because the evidence will show that if any alteration is occurring it must be either AT&T or the RLECs that are violating industry practices and the rules, or simply looking in the wrong parameter.

Regardless, given the charge, Halo requests and demands that all defendants immediately put a litigation hold on all of the signaling content related to Halo traffic they presently have and maintain that information along with all information they receive during the processing of this matter. They should be ready to produce that information as part of the Rule 1.729(i)(1) automatic disclosure process in this case. Halo has now done the same and if this remains in issue Halo will produce its records regarding the signaling content associated with call sessions delivered to the defendants for termination with its Rule 1.729(i)(1) automatic production.

B. The traffic in issue is CMRS and intraMTA; to the extent it is not traditional retail voice traffic it is associated with a Commission-authorized "numbering partner" service to a high-volume non-IXC ESP that has purchased Halo's high volume wireless service and has wirelessly connected the customer's mobile station to a Halo base station in the MTA.

<sup>&</sup>lt;sup>53</sup> See 2011 USF/ICC NPRM ¶ 622, note 950 ["Tandem switches transmitting traffic in TDM format create billing records by combining CPN or Charge Number (CN) information from the SS7 signaling stream with information identifying the originating service provider to provide terminating service providers with information necessary for billing."]



The RLECs have also expressed concern with the type of traffic Halo has sent them, and some have alleged that Halo's traffic is "IP-in-the-Middle" and is not "CMRS." Again, their concerns and arguments lack any foundation in the law and Commission decisions.

Halo is a federally-licensed CMRS provider with interconnection rights under \$332(c)(1)(B) and is providing a service that allows customers to obtain broadband and PSTN connectivity using 4G wireless capabilities employing 3.65 GHz spectrum. The traffic in issue all comes from a high volume customer's mobile station that is communicating with a Halo base station in the same MTA as the rate center association of the called party, and the Halo/AT&T point of interconnection is in the same LATA. Thus, it is intraMTA traffic, which also happens to be intraLATA if the POI is used rather than the base station. *See* 47 C.F.R. § 51.701(b)(2). *See also Local Competition Order* ¶1043-1044 [providing that intraMTA traffic is subject to § 251(b)(5) and relying on "the location of the initial cell site when a call begins" as "the determinant of the geographic location of the mobile customer" or "as an alternative" "the point of interconnection between the two carriers at the beginning of the call to determine the location of the mobile caller or called party."]

Halo has "low volume" offerings for wireless-based "voice" and broadband data<sup>54</sup> for small business and consumers and "high volume" offerings for customers that have more intensive communications needs. Both provide for (1) a common carrier wireless transmission service that can be used for any legal purpose; (2) a separate information service offering that includes Internet access; and (3) the ability to communicate with other points on the public switched network for purposes of "voice" or data applications like FAX machines or data terminals accessible via E.164 addresses rather than IP addresses. Users will connect to the base station over a wireless broadband connection, and to the extent the user desires to intercommunicate with a PSTN end-point in the same MTA the call session will be routed to the interconnection arrangement with AT&T in the relevant LATA, and AT&T will transport and terminate the call, or transit the call to the called party's network service provider. Every call that traverses the Missouri interconnection for transport and termination by the RLEC defendants originated from a customer's mobile station that is communicating with a Halo base station serving the MTA that covers the rate center associated with the called party's telephone number.

<sup>&</sup>lt;sup>54</sup> Halo's broadband data service has a "transport" component that is offered on a stand-alone common carrier basis. Customers can choose to "bring their own" Internet or private network service and use the wireless transport portion only. Or, the customer can choose to use Halo-supplied Internet capabilities. The offering is conceptually similar to the tariffed DSL transport service the RLEC defendants provide in Missouri that can then be used in association with the RLECs' Internet service, or the service of another ISP. (According to the NECA 5 tariff, Citizens, Green Hills, Mid-Missouri and Northeast Missouri concur in the NECA 5 DSL Transport tariff, see, https://www.neca.org/cms400min/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=2574&libID=2594.) The Commission should support this business model because it goes far beyond mere "Net Neutrality" and essentially adopts the "common carrier" model the FCC chose to not go so far as to embrace in the recent Open Internet Order. Report and Order, In the Matter of Preserving the Open Internet; Broadband Industry Practices, GN Docket No. 09-191; WC Docket No. 07-52, FCC 10-201, 25 FCC Rcd 17905 (2010) ("Open Internet Order"). Halo's broadband service has already implemented - and voluntarily adopted even more transparency and "no blocking" practices the proposed "mobile broadband rules in the Open Internet Order. See id., ¶ 97-102, 25 FCC Rcd 17958-17961. This is particularly so with regard to a Halo customer's use of competing "voice" services. Halo does not block or impede any alternative voice clients; indeed, a user can use an alternative voice client/service and Halo will not block that client/service's attempt to secure termination of a call in the same MTA using Halo's interconnection arrangement. The defendants' blocking puts Halo in potential violation of the Commission's rules. This must stop.



The RLECs' problem is not with Halo. They instead do not like the use Halo's customers are making with the CMRS service. Even if what they claim is correct, all that means is that Halo is serving as a "numbering partner" to a "communications-intensive" business customer that happens to be an enhanced service provider.<sup>55</sup> The Commission has expressly recognized that CMRS providers can be "numbering partners" for VoIP providers; indeed the FCC specifically shaped its rules to allow CMRS providers to assume this role and took into account CMRS-specific rules that relate to number portability.<sup>56</sup> The RLECs should direct their criticism away from Halo and toward the FCC, for all of this is expressly authorized and explicitly contemplated by the statute, rules and several Commission decisions.

The traffic giving such grief to the RLECs is CMRS and intraMTA, and thus fully subject to \$ 251(b)(5), just as it would be when a PSTN user communicates with a traditional dial-up ISP (in either direction). Further, this traffic is also squarely subject to \$ 201, and part of the Commission's exclusive jurisdiction. A state commission such as the Missouri PSC cannot order or authorize blocking, and it cannot lawfully make up its own interconnection or intercarrier compensation rules. Federal law exclusively applies, and it prevails over any conflicting state law or requirement. Access rates – and particularly intrastate access rates – cannot be applied to this traffic, since it is not carved out of \$ 251(b)(5) by \$ 251(g).<sup>57</sup>

The issue of the appropriate intercarrier compensation for this traffic will be resolved at the appropriate time, by this Commission as part of a § 332(C)(1)(B)/201 "interconnection" proceeding, or perhaps even at some point by the state commission using "the arbitration procedures in section 252 of the Act" and applying the standards in the Act and the Commission's current intercarrier compensation rules. We will get to setting a lawful compensation price when the applicable procedure and context is finally known, and one of the major results of this matter will be sorting out that very question. The RLECs' unilateral and preemptive action of blocking rather than working with Halo on a cooperative basis to figure this

<sup>&</sup>lt;sup>55</sup> The D.C. Circuit and the Commission have recognized that ESPs are end users – not carriers – that are classified for regulatory purposes as "communications-intensive business customers." *See, e.g., Bell Atl. Tel. Cos. v. FCC*, 206 F.3d 1, 7 (D.C. Cir. 2000). Halo does not have any IXC customers that use its low volume or high volume wireless service. Thus, this is not "IP-in-the-Middle" traffic, even if and to the extent it could somehow be deemed to have originated with a wireline customer on the PSTN. In any event, *see Order, In the Matter of Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges*, 19 FCC Rcd 7457, note 92 (2004).

<sup>&</sup>lt;sup>56</sup> See Report and Order, Declaratory Ruling, Order on Remand, and Notice of Proposed Rulemaking. In the Matter of Telephone Number Requirements for IP-Enabled Services Providers; Local Number Portability Porting Interval and Validation Requirements; IP-Enabled Services; Telephone Number Portability; CTIA Petitions for Declaratory Ruling on Wireline-Wireless Porting Issues; Final Regulatory Flexibility Analysis; Numbering Resource Optimization, WC Docket No. 07-243; CC Docket Nos. 95-116, 99-200; WC Docket Nos. 04-36, 07-244, FCC 07-188, ¶¶ 34-35, 22 FCC Rcd 19531, 19549-19550 (2007); Small Entity Compliance Guide, Local Number Portability (LNP), CC Docket Nos. 95-116, 99-200, WC Docket Nos. 07-243, 07-244, 04-36, DA 08-1317, ¶¶ 3-4 (2008), available at <a href="http://hraunfoss.fcc.gov/edocs\_public/attachmatch/DA-08-1317A1.pdf">http://hraunfoss.fcc.gov/edocs\_public/attachmatch/DA-08-1317A1.pdf</a>. See also 47 C.F.R. §§ 52.23(h)(1), (2), 52.31, 52.34. The RLECs are blocking VoIP traffic, and thereby violating § 201(b). See below.

<sup>&</sup>lt;sup>57</sup> See Order on Remand and Report and Order and Further Notice of Proposed Rulemaking, *High Cost Universal Service Reform, Federal-State Joint Board on Universal Service, Lifeline and Link Up, Universal Service Contribution Methodology, Numbering. Resource Optimization, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Developing a Unified Intercarrier Compensation Regime, Intercarrier Compensation for ISP-Bound Traffic, IP-Enabled Services, 24 FCC Rcd 6475 (2008) ("Core Mandamus Order") (subsequent history omitted).* 

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out without the Commission's intervention violates the Act and the Commission rules in several ways. They now get to discover that their tactics have lengthened rather than shortened the time it will take for them to get paid, and it will ultimately cost them more because now they are subject to damages for their violations.

6. Specific violations of the Act and Commission rules.

A. Blocking is an unjust and unreasonable practice under § 201(b). The defendants have violated § 201(b) by engaging in the unjust and unreasonable practice of blocking interstate traffic without advance permission by the Commission. The FCC has made it absolutely clear that carriers cannot block interstate traffic absent specific FCC authorization and doing so is an unjust and unreasonable practice that violates § 201(b). *See, e.g.*, Declaratory Ruling and Order, *In the Matter of Establishing Just and Reasonable Rates for Local Exchange Carriers, Call Blocking by Carriers*, WC Docket No. 07-135, DA 07-2863, ¶¶ 5-6, 22 FCC Rcd 11629 (rel. June 28, 2007)<sup>58</sup>; Memorandum Opinion and Order, *Telecommunications Research and Action Center and Consumer Action v. Central Corporation et al.*, File Nos. E-88-104, E-88-105, E-88-106, E-88-107, E-88-108, DA 89-237, ¶¶ 12, 15, 4 FCC Rcd 2157, 2159 (1989) (Common Carrier Bureau).<sup>59</sup> All of the defendants, including AT&T, have engaged in an unjust and unreasonable practice in violation of § 201(b).

The RLEC defendants' blocking also violates § 201(b) for a separate and different reason. As explained above, the defendants assert that some of the traffic is "wireline originated" "interLATA" traffic, and is being improperly routed over Halo's interconnection arrangement. They claim the right to block passage of this traffic based on Missouri rules. *See e.g.*, Exhibits 16, 26, 27 and 31. These state rules do not apply, but even if they do they are pre-empted given that the traffic is interstate, and is related to VoIP traffic coming from one of Halo's customers for whom Halo serves as a "numbering partner." Defendants are blocking VoIP traffic, and that is a violation of § 201(b).<sup>60</sup>

B. Blocking in this situation without advance Commission permission is a violation of 47 C.F.R. §§ 63.60(b)(5), 63.62(b) and (e) and 63.501. Part 63 rules address carriers' desire to cease the interchange of traffic with another carrier, and that is precisely what has

<sup>&</sup>lt;sup>60</sup> See Order, *In the Matter of Madison River Communications, LLC and affiliated companies*, File No. EB-05-IH-0110; Acct. No. 200532080126; FRN: 0004334082, DA 05-543, 20 FCC Rcd 4295, 4296 (2005) (Enforcement Bureau) [Investigation and consent order regarding violation of § 201(b) with respect to the "blocking of Voice over Internet Protocol ("VoIP") applications, thereby affecting customers' ability to use VoIP through one or more VoIP service providers."]



 <sup>...</sup> call blocking is an unjust and unreasonable practice under section 201(b) of the Act" ...
 "Specifically, Commission precedent provides that no carriers, including interexchange carriers, may block, choke, reduce or restrict traffic in any way.

<sup>&</sup>lt;sup>59</sup> 12. ... After consideration of the arguments and evidence advanced by the parties to this proceeding, we are persuaded that the practice of call blocking, coupled with a failure to provide adequate consumer information, is unjust and unreasonable in violation of Section 201(b) of the Act. ...

<sup>15. ...</sup> We find that call blocking of telephones presubscribed to the defendant AOS providers or other carriers is an unlawful practice. Accordingly, we order the defendants to discontinue this practice immediately. The defendants must amend their contracts with call aggregators to prohibit call blocking by the call aggregator within thirty days of the effective date of this Order.

occurred here. Under Commission rules, a carrier that wants to cease interchanging traffic must seek advance permission from the FCC to do so. There are specific showings that must be made. *See, e.g.*, 47 C.F.R. § 63.60(b)(5), § 63.62(b) and (e), § 63.501. In this regard, the applicant must state whether any other carriers consent (§ 63.501(p)). Halo advised these carriers in writing that it did not so consent. Their decision to proceed is a clear violation of these rules. In this regard, AT&T has also violated this rule.<sup>61</sup>

The RLECs may respond that a carrier can disconnect another carrier for nonpayment. Halo agrees that this is true, but responds that a carrier cannot disconnect another carrier for nonpayment of patently illegal charges. The unpaid billings here involve tariffed access charges for intraMTA traffic, and 20.11(d) clearly does not allow them. Disconnection for nonpayment of illegal bills cannot be a justification for failing to follow Part 63 procedures, and the defendants have therefore violated Part 63.

C. The RLECs' attempts and actions violate 47 C.F.R. § 20.11(d) and (e).

The RLECs sent access charge billings to Halo, and have now blocked traffic on account of non payment. The billings violate § 20.11(d). Further, the RLECs have not followed the required process set out in § 20.11(e) that would result in an interconnection agreement, including state-level arbitration in the event there are unresolved open issues.

D. If and to the extent the parties are deemed to already be engaged in the § 252 process, the RLECs have violated 47 C.F.R. § 51.301(a), (c)(5) and (c)(8). Section 51.301 requires ILECs to negotiate "in good faith the terms and conditions of agreements to fulfill the duties established by sections 251 (b) and (c) of the Act." They have not done so. The RLECs have offered to "let" Halo adopt an agreement under § 252(i), but they cannot claim that to date any of their actions come close to the kind of negotiations for terms contemplated by the rules. Providing prior agreements, indicating "sign here," and then blocking traffic when that does not happen is a violation of the duty to negotiate in good faith.

The RLECs' blocking is a brazen and obvious attempt to coerce Halo "into reaching an agreement that it would not otherwise have made." This is a clear violation of 51.301(c)(5).

Halo and Mid-Missouri had one telephonic conference during which Halo orally expressed its desire for cost-based terms and IP-based interconnection. Halo thereafter answered a follow-up question posed by counsel for Mid-Missouri. *See* Exhibit 27. These two RLECs (along with Northeast and Chariton Valley) then decided to institute blocking. Halo has reasonably decided to forgo "negotiations" in the face of such coercion.

There was more communication with Citizens and Green Hills, through their counsel. On January 24 Halo indicated that if and to the extent the parties were indeed involved in § 252 negotiations, then Halo requested "cost studies using TELRIC principles that support all of their proposed pricing for interconnection, traffic exchange, and collocation"; studies reflecting your clients' claimed avoided cost for resale purposes"; and "the studies that will support your clients' proposed prices and terms for access to poles, conduits and rights of way." Halo observed that if the parties are in the context of a § 252 negotiation then 47 C.F.R. § 51.031 applies and the

<sup>&</sup>lt;sup>61</sup> AT&T is not as culpable as the other defendants. It is in very large part acting under perceived compulsion of a state commission rule.



RLECs must provide this information under 51.301(c)(8)(i) and (ii). *See* Exhibit 5. Citizens and Green Hills never acknowledged this request and have not produced any information. They have therefore violated § 51.301(c)(8).

The RLECs' only possible justification for their actions is that they are exempt from the § 251(c)(1) duty to negotiate in good faith that is the basis for § 51.301. If they are correct then that merely proves Halo's point that any continued claim for exemption simply guts the entirety of § 252 and there is nothing to arbitrate so the "negotiation and arbitration procedures in section 252 of the Act" cannot be used.<sup>62</sup>

# II. <u>This case fits well with the Commission's consideration factors for acceptance on the</u> <u>Accelerated Docket.</u>

Rule 1.730(e) sets out several consideration factors the Staff is to use when deciding whether to exercise its discretion to admit a proceeding to the Accelerated Docket. Halo will address them in the order set out in the rule.

1. Whether it appears that the parties to the dispute have exhausted the reasonable opportunities for settlement during the staff-supervised settlement discussions.

The parties are not likely to resolve this matter without participation by the Commission Staff. Halo attempted to negotiate with each RLEC, offered a series of negotiation alternatives, and painstakingly explained Halo's position regarding whether the RLECs had properly invoked § 20.11(e). Notwithstanding its position on that issue, Halo proceeded to discuss substance with counsel for these RLECs and gave an outline of its position on the terms Halo desired to negotiate, and what it would arbitrate should that become necessary. Halo sought the information from the RLECs that the Commission's rules require an ILEC to provide upon request. The RLECs have not provided this information, or any information or feedback other than an offer to allow Halo to adopt an agreement under § 252(i). Ultimately, the RLECs chose the course of brinkmanship and coercion and are now blocking Halo's traffic.

FCC intervention by way of mediation or adjudication will be necessary. Halo does believe, however, that the staff-supervised pre-filing settlement discussions made available in Rule 1.730(b) could significantly improve the potential for a negotiated resolution of the matter.<sup>63</sup> If such discussions do not lead to a settlement, then the matter is, as explained below, appropriate for the accelerated processes set out in Rule 1.730(g).

2. Whether the expedited resolution of a particular dispute or category of disputes appears likely to advance competition in the telecommunications market.

Small companies like Halo cannot afford to spend all their resources continually engaging in long and expensive full-blown litigation. Requiring continual "negotiation" and then "arbitration" on every matter erects a formidable barrier to entry. Halo cannot provide the

<sup>&</sup>lt;sup>63</sup> Staff has discretion whether to conduct a pre-filing settlement conference prior to the decision on inclusion on the Accelerated Docket. Order on Reconsideration, *In the Matter of Implementation of the Telecommunications Act of 1996; Amendment of Rules Governing Procedures to be Followed When Formal Complaints are Filed Against Common Carriers*, CC Docket No. 96-238, FCC 01-78, 16 FCC Rcd 5681, 5689, ¶ 17 (rel. Feb. 2001); Rule 1.730(b). Halo requests that Staff exercise its discretion by conducting the conference.



 $<sup>^{62}</sup>$  Halo has offered to negotiate with each of the RLEC defendants in the § 251(a) context or in the § 332(c)(1)(B)/§ 201/§ 20.11(a) context. They have refused each of these entreaties and instead chose to use coercive "negotiation" tactics by blocking.

services it has been recently authorized to provide if RLECs are allowed to unilaterally demand payment of access charges and block traffic if Halo does not pay. The delay associated with fullblown adjudication necessarily leads to significant harm. Second Report and Order, *In the Matter of Implementation of the Telecommunications Act of 1996 Amendment of Rules Governing Procedures to Be Followed When Formal Complaints are Filed Against Common Carriers*, CC Docket No. 96-238, FCC 98-154, 13 FCC Rcd 17018, 17027 ¶ 16 (rel. July 1998).

3. Whether the issues in the proceeding appear suited for decision under the constraints of the Accelerated Docket. This factor may entail, inter alia, examination of the number of distinct issues raised in a proceeding, the likely complexity of the necessary discovery, and whether the complainant bifurcates any damages claims for decision in a separate proceeding.

The defendants may try to make it appear that the issues are many and complex and a lot of discovery will be required. This too is not correct. There are truly only two or at most three major issues that will then be plugged into the provisions in the Act and rules cited by Halo above. Halo expects that the only potential factual dispute will relate to signaling content. Halo has every expectation that the defendants will – "upon further internal examination" – quietly drop this issue. If they do not and when the defendants and Halo produce their signaling records as part of the automatic disclosure process in Rule 1.729(i)(1) then the facts will be resolved based on those records and, if necessary, explanatory declarations by the parties.

Halo believes that little or no discovery will be required. Most of the facts can be stipulated; discovery should be handled via the parties' Rule 1.729(i)(1) automatic production of documents.

Halo intends to request bifurcation of the damages claims for decision in a separate proceeding as is allowed under § 1.722(b) of the Commission's rules.

4. Whether the complainant states a claim for violation of the Act, or Commission rule or order that falls within the Commission's jurisdiction.

This is a matter that falls directly within the Commission's jurisdiction under §§ 201 and 332(c)(1)(B). It also involves interpretation and application of some of the rules the Commission promulgated to implement §§ 251 and 252. Halo has also pled for violations of other specific FCC rules. As noted, the preponderance of traffic being blocked is jurisdictionally interstate and the blocking is frustrating Halo's federally granted interconnection rights that flow from its FCC RSA. While the Missouri PSC could ultimately exercise jurisdiction over a § 252 arbitration, we are not to that point and the parties' dispute relates to how 47 C.F.R. § 20.11 applies and if – as a result of actions taken purportedly in reliance on that rule – the parties are presently involved in "the negotiation and arbitration procedures in section 252 of the Act."<sup>64</sup> The FCC has primary and even exclusive jurisdiction over virtually the entirety of the legal issues. The primary complaint is an allegation the defendants are violating § 201 and Commission rules by blocking jurisdictionally interstate traffic. The defendants potential defenses relate to whether the traffic in issue is "CMRS" – a matter that this commission must decide, since that question is answered

<sup>&</sup>lt;sup>64</sup> Since the defendants have not requested that Halo submit to state commission arbitration, Halo has not so submitted. Thus the Missouri PSC lacks both subject matter and *in personam* jurisdiction. Not only is there nothing to "arbitrate" there is no ability to have any kind of proceeding at the state level. If the defendants ever get around to making the request that Halo submit, then Halo will since that is what § 20.11(e) requires.



solely by § 332(c) and the Commission's rules. Given some of the defendant's allegations, other federal statutes and Commission rules now in Part 64 or proposed to be included in Part 64 may arise. Finally, again, given some of the defendants' allegations, the case may involve issues surrounding jurisdictionally interstate enhanced/information service traffic, which is exclusively subject to the Commission's § 201 authority.

This matter does not concern an issue governed by the terms of any interconnection agreement since there is no agreement with any of the defendants except AT&T.<sup>65</sup> AT&T's actions were precipitated by perceived duties and obligations external to that agreement. There is no Missouri PSC proceeding. Therefore, nothing precludes the FCC from addressing the matter. *Accelerated Docket R&O* ¶ 24, 13 FCC Rcd at 17031. This matter is wholly within the Commission's jurisdiction. Although the state commission could in theory also share jurisdiction over some of the issues under certain procedural contexts and at some point, only this Commission can address all of them and at this time.

5. Whether it appears that inclusion of a proceeding on the Accelerated Docket would be unfair to one party because of an overwhelming disparity in the parties' resources.

There is of course, an overwhelming disparity in resources. The ILECs – even though all but AT&T claim to be RLECs – have a decided and material advantage, and an established terminating monopoly they are intent on protecting. Inclusion on the Accelerated Docket, however, would mitigate that advantage. A full-blown adjudication would favor the defendants given that they can rely on captive customer revenues to fund the litigation, whereas Halo does not have any captive base and the present blocking is inhibiting Halo's ability to attract and retain customers.

Halo is the out-resourced party, yet requests inclusion on the Accelerated Docket in very large part because each day of delay harms Halo. Time is of the essence. This is not a factor that can lead to rejection.

6. Such other factors as the Commission staff, within its substantial discretion, may deem appropriate and conducive to the prompt and fair adjudication of complaint proceedings.

Once the matter is boiled down to its essence, the primary issue – the current call blocking – is simple and straightforward and it requires a rapid, simple and clear resolution by the agency that is in charge of the controlling statute and promulgated the rules involved.

Halo welcomes Staff's guidance with regard to this process, and looks forward to the next step: Staff participation in pre-filing settlement discussions. Halo respectfully requests that Staff exercise its discretion and convene pre-filing settlement discussions before it makes the final determination of whether to accept this matter for accelerated processing. If the matter is not resolved through settlement, Halo respectfully requests that Staff exercise its discretion and designate the matter for inclusion on the Accelerated Docket. Should this not occur, however, then Halo still intends to file a formal complaint under § 208 and Part 1, Subpart E.

Sincerely,

<sup>&</sup>lt;sup>65</sup> The RLEC defendants are not parties to that agreement, so they cannot claim any rights under it.



Matthew A. Henry W. Scott McCollough Counsel for Halo Wireless, Inc.

## DATED: March 25, 2011

I certify and represent that a true and correct copy of the foregoing Request for Inclusion of Complaint, Once Filed, on FCC Accelerated Docket was delivered by Certified Mail, Return Receipt Requested, to the registered agents listed on file with the Commission for each of the defendants as follows:

Citizens and Northeastern Missouri: Gerard Duffy Blooston, Mordkofs Telephone: 202-659-0830 E-Mail: gjd@blooston.com 2120 L St. NW Washington, DC 20037

Green Hills: Steve Kraskin Woods & Aitlen, Telephone: 202-944-9500 E-Mail: <u>skraskin@independent-tel.com</u> 2154 Wisconsin Ave N.W., Suite 200 Washington, DC 20000

Mid-Missouri: Sylvia Lesse Communications Adv Telephone: 202-333-5273 E-Mail: <u>sylvia@independent-tel.com</u> 2154 Wisconsin Avenue NW Washington, DC 20007

Chariton Valley: Caressa D. Bennet Bennet & Bennet Telephone: 202-371-1500 E-Mail: <u>cbennet@bennetlaw.com</u> 1000 Vermont Ave. NW, 10th Floor Washington, DC 20005 Anisa Latif Southwestern Bell Telephone Company LP d/b/a AT&T Missouri Telephone: 202-408-4807 E-Mail: <u>al7161@att.com</u> 1120 20th Street, NW, STE 1000 Washington, DC 20036



Mark Twain Rural Tel. Co. Caressa D. Bennett Bennet & Bennet Telephone: 202-530-9800 Email: <u>cbennet@bennetlaw.com</u> 1000 Vermont Ave. NW, 10<sup>th</sup> Floor Washington, DC 20005

I also certify that a courtesy copy was served on each of the below-listed counsel by Certified Mail, Return Receipt Requested at the addresses listed below on the date above indicated.

W.R. England II Brydon, Swearengen & England 312 East Capitol Ave P.O. Box 456 Jefferson City, Missouri 65102-0456

Craig S. Johnson Johnson & Sproleder, LLP 304 E. High St., Suite 200 P.O. Box 1670 Jefferson City, Missouri 65102

Leo J. Bub General Attorney AT&T Missouri One AT&T Center, Room 3518 St. Louis, Missouri 63101

> /s/ Matthew A. Henry Matthew A. Henry



EXHIBIT 1 HALO WIRELESS RADIO STATION AUTHORIZATION

#### **REFERENCE COPY**

This is not an official FCC license. It is a record of public information contained in the FCC's licensing database on the date that this reference copy was generated. In cases where FCC rules require the presentation, posting, or display of an FCC license, this document may not be used in place of an official FCC license.

SUCCOMMUNICIPIONS - COMMISSION	Federal Communications Commission Wireless Telecommunications Bureau RADIO STATION AUTHORIZATION			
LICENSEE: Halo Wireless		[	<b>Call Sign</b> WQJW781	File Number
ATTN: CAROLYN MALONE HALO WIRELESS 3437 W 7TH ST, SUITE 127			Radio Service NN - 3650-3700 MHz	
FORT WORTH, TX 76107			Regulatory Status Common Carrier	
FCC Registration Number (FR	N): 0018359711			
<b>Grant Date</b> 01-27-2009	<b>Effective Date</b> 06-10-2010	Expiration Date 11-30-2018		Print Date
Market Name: Nationwide				
Channel Block: 003650.00000000 - 003700.00000000 MHz				

#### Waivers/Conditions:

This nationwide, non-exclusive license qualifies the licensee to register individual fixed and base stations for wireless operations in the 3650-3700 MHz band. This license does not authorize any operation of a fixed or base station that is not posted by the FCC as a registered fixed or base station on ULS and mobile and portable stations are authorized to operate only if they can positively receive and decode an enabling signal transmitted by a registered base station. To register individual fixed and base stations the licensee must file FCC Form 601 and Schedule M with the FCC. See Public Notice DA 07-4605 (rel November 15, 2007)

#### **Conditions:**

Pursuant to §309(h) of the Communications Act of 1934, as amended, 47 U.S.C. §309(h), this license is subject to the following conditions: This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized herein. Neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934, as amended. See 47 U.S.C. § 310(d). This license is subject in terms to the right of use or control conferred by §706 of the Communications Act of 1934, as amended. See 47 U.S.C. §606.

EXHIBIT 2 12/30/2010 LETTER FROM W.R. ENGLAND, III

# LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

BRIAN T. MCCARTNEY DIANA C. CARTER SCOTT A. HAMBLIN JAMIE J. COX L. RUSSELL MITTEN ERIN L. WISEMAN JOHN D. BORGMEYER

COUNSEL GREGORY C. MITCHELL

December 30, 2010

#### VIA EMAIL & U.S. POSTAL SERVICE

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangements

Dear Mr. Marks:

Our firm represents Citizens Telephone Company of Higginsville, Missouri, Inc. (Citizens), Green Hills Telecommunications Services and Green Hills Telephone Company (collectively Green Hills), which are Local Exchange Companies serving rural areas in the state of Missouri. Citizens and Green Hills have recently received billing records from their tandem provider, AT&T Missouri, indicating that Halo Wireless (Halo) is sending traffic through the AT&T tandem in Kansas City, Missouri, over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by Citizens and Green Hills. Currently, Halo has no agreement with either Citizens and Green Hills to terminate this traffic, and an attempt by Green Hills to bill Halo for this traffic was refused on the grounds that this traffic was wireless and therefore not subject to access charges. (See your correspondence dated December 22, 2010, a copy of which is attached). While AT&T's billing records indicate that this traffic is wireless, a review of Citizens' and Green Hills' switch records for a sample of this traffic indicates that a significant portion of this traffic appears to be wireline interexchange and 800 originating traffic (despite your representation to the contrary).

While Citizens and Green Hills acknowledge that wireless carriers are not subject to access charges for intraMTA wireless traffic, they are nevertheless subject to access charges for interMTA wireless traffic as well as interexchange wireline traffic. Moreover, the Missouri Public Service Commission (PSC) has promulgated rules which prohibit carriers, including wireless companies, from terminating InterLATA wireline traffic over the LEC-to-LEC Network. (See MoPSC Rules 4 CSR 240-29.010 et.seq.) Accordingly, Citizens and Green Hills request that Halo immediately cease terminating any interLATA wireline traffic over the LEC-

Page 2 of 2 December 30, 2010

to-LEC (or Feature Group C) network. If Halo Wireless is not willing or unable to do so, Citizens and Green Hills will request AT&T to block its traffic pursuant to MoPSC Rule 4 CSR 240-29.130.

Also, Citizens and Green Hills request that Halo Wireless begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection arrangements (including reciprocal compensation) for the intraMTA wireless traffic that Halo Wireless is terminating to Citizens and Green Hills. Citizens and Green Hills currently have a number of Traffic Termination or Interconnection Agreements with wireless carriers for the indirect interconnection and exchange of intraMTA wireless traffic and they would propose using one of those agreements as a starting point for purposes of these negotiations.

In the meantime, Citizens and Green Hills request that Halo: 1) acknowledge receipt of this letter and indicate its willingness to begin negotiations towards an interconnection agreement for the exchange of, and compensation for, intraMTA wireless traffic; and 2) cease sending any InterLATA wireline traffic over the FGC network for termination to Citizens and Green Hills. Please contact me if you have any questions regarding this matter. I look forward to hearing from you.

Sincerely, W.R. England, I

WRE/da Enclosure

wireless

# 3437 W. 7<sup>th</sup> Street, Suite 127, Fort Worth, TX 76107

December 22, 2010

-73

Green Hills Telephone Company Attention: Gina Hart 7926 NE State Route M P.O. Box 227 Breckenridge, MO 64625

Dear Ms. Hart:

This will acknowledge the invoice from you under your assigned invoice number 1110429F dated 11/30/2010.

Please be advised that Halo Wireless Communications is a Commercial Mobile Radio Service (CMRS) provider. The charges reflected in your statement appear to relate to intrastate access charges. Please be advised that Halo has not ordered or received any Interstate or intrastate access services from your company that could possibly be chargeable to Halo, so we have no obligation to pay them.

While there are no charges related to transport and termination of intraMTA or interMTA traffic contained in your statement, since Halo is a CMRS provider, it would have no obligation to pay such charges absent a contract in any event.

Sincerely,

2722

John Marks General Counsel Jmarks@halowireless.com

EXHIBIT 3 1/18/2011 LETTER FROM W.R. ENGLAND, III

# LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 635-0427

BRIAN T. MCCARTNEY DIANA C. CARTER SCOTT A. HAMBLIN JAMIE J. COX L. RUSSELL MITTEN ERIN L. WISEMAN JOHN D. BORGMEYER

COUNSEL GREGORY C. MITCHELL

January 18, 2011

#### VIA EMAIL & US MAIL

Mr. Leo Bub AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

## Re: Blocking of Terminating Traffic to Halo Wireless, Inc.

Dear Leo:

I am writing on behalf of Citizens Telephone Company of Higginsville, Missouri (Citizens) and Green Hills Telephone Corporation and Green Hills Telecommunications Services (collectively Green Hills) to request the assistance of AT&T Missouri (AT&T) in blocking traffic from Halo Wireless, Inc. (Halo) OCN 429F, as it has failed to respond to a request to establish appropriate compensation arrangements for traffic terminated by it to Citizens and Green Hills.

As you are aware, terminating carriers, such as Citizens and Green Hills, may request the originating tandem carrier to block traffic over the LEC-to-LEC network where the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic. See 4 CSR 240-29.130. Beginning in approximately November 2010, Citizens and Green Hills began receiving terminating traffic from Halo over the LEC-to-LEC network, as indicated in the "wireless" billing records they received from AT&T. When Green Hills attempted to bill Halo for this traffic, Halo responded (1) that the charges appeared to be access in nature, (2) that Halo had not ordered any access services, and therefore, (3) that Halo has no obligation to pay access charges and, in any event, (4) that Halo had no obligation to pay any compensation absent a contract. A copy of Halo's correspondence dated December 22, 2010, is attached hereto as Attachment A. Thereafter, our firm, on behalf of Citizens and Green Hills, sent a letter to Halo's counsel informing him, among other things, of Citizens' and Green Hills' desire to begin negotiations toward an interconnection agreement to include provisions for reciprocal A copy of my December 30, 2010, correspondence is attached hereto as compensation. As of today, however, no response has been received from Halo and Attachment B. uncompensated traffic continues to be terminated by Halo to Citizens and Green Hills.

Therefore, Citizens and Green Hills request that AT&T take the necessary steps to block Halo's traffic from terminating over the LEC-to-LEC network to the following Citizens' and Green Hills' exchanges:

Company Name	Exchange(s)	NPA NXX	THOUSANDS
			BLOCK
Citizens Telephone Company	Higginsville	660-584	
	Corder	660-394	
	Mayview	660-237	
Green Hills Telephone Company	Avalon	660-636	
	Bogard	660-731	
	Breckenridge	660-644	THE ANNAL IS
	Cowgill	660-255	
	Dawn	660-745	
	Knoxville	660-352	
	Lock Springs	660-772	
	Ludlow	660-738	
	Mooresville	660-755	
	Polo	660-354	
	Stet	660-484	
	Tina	660-622	
	Wheeling	660-659	· · · · · · · · · · · · · · · · · · ·
Green Hills Telecommunications Services	Norborne	660-593	

Citizens and Green Hills request that AT&T effectuate blocking of Halo traffic on or after March 1, 2011. Please let me know whether AT&T will be able to block traffic on the date requested. If you have any questions regarding this request or require additional information, please contact me at your earliest convenience.

Thank you in advance for your attention to and cooperation in this matter.

Sincerely, W.R. England, III

WRE/da

cc: Mr. John Marks (via email) Mr. John VanEschen (via email) EXHIBIT 4 1/19/2011 LETTER FROM W.R. ENGLAND, III

#### LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 635-0427

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COUNSEL GREGORY C. MITCHELL

January 19, 2011

#### VIA EMAIL AND CERTIFIED MAIL

Mr. John Marks General Counsel Halo Wireless, Inc. 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

JAN 2 4 2011

#### Re: Blocking of Terminating Traffic from Halo Wireless Effective March 1, 2011

Dear Mr. Marks:

This notice to commence blocking the telecommunications traffic that Halo Wireless, Inc. (Halo) is terminating to Citizens Telephone Company of Higginsville, Inc. (Citizens) and Green Hills Telephone Company and Green Hills Telecommunications Services (collectively Green Hills) is made pursuant to the Missouri Public Service Commission (MoPSC) Enhanced Record Exchange (ERE) Rule, 4 CSR 240, Chapter 29. Under the ERE Rule, a terminating carrier may request that the originating tandem carrier (in this case, AT&T Missouri) block the traffic of an originating carrier and/or traffic aggregator that has failed to fully compensate the terminating carrier for terminating compensable traffic.

<u>**Reasons for Blocking</u>**: Halo Wireless has failed to acknowledge or respond to our December 30, 2011 correspondence requesting that Halo Wireless: (1) begin negotiations for an interconnection agreement to establish arrangements (including reciprocal compensation) for wireless traffic; and (2) immediately cease terminating any interLATA wireline traffic over the LEC-to-LEC network.</u>

Date for Blocking to Begin. March 1, 2011.

Page 2 of 2 January 19, 2011

<u>Actions Necessary to Prevent Blocking</u>. In order for Halo Wireless to avoid having its traffic blocked on the LEC-to-LEC Network beginning on March 1, 2011, Halo must: (1) agree to enter into good faith negotiations to establish a reciprocal compensation agreement consistent with the Telecommunications Act for the exchange of and compensation for local traffic; and (2) comply with the requirements of the MoPSC ERE Rule, in particular, to immediately cease and desist from sending any interLATA wireline traffic to Citizens and Green Hills for termination. These actions must be taken on or before February 18, 2011.

<u>Contact Person for Further Information</u>. Citizens and Green Hills have designated W.R. England, III and Brian McCartney as contact persons for any negotiations or requests for further information regarding this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND, P.C. By: W. R. England, HI

WRE/da

Enclosure

cc: Mr. John Van Eschen, Missouri Public Service Commission (via email) Mr. Leo Bub, AT&T Missouri (via email) EXHIBIT 5 1/24/2011 LETTER FROM HALO WIRELESS

# 3437 W. 7th Street, Suite 127, Fort Worth, TX 76107



January 24, 2011

W.R. England II Brydon, Swearengen & England 312 East Capitol Ave P.O. Box 456 Jefferson City, Missouri 65102-0456

RE: Citizens Telephone Company and Green Hills Telephone Company / Halo Wireless, Inc.

Dear Mr. England:

This letter responds to your letter of December 30, 2010 to Halo Wireless, Inc. ("Halo") and addressed to me concerning Citizens Telephone Company ("Citizens") and Green Hills Telephone Company ("Green Hills"). I am sorry for the 25-day delay. The correspondence came in the middle of the holidays and did not receive immediate attention as a result. I was heavily engaged in other matters and have simply fallen behind on some matters, including this one.

Your letter asserts many things, and I will not address all of them. If I fail to expressly respond to an assertion of fact or law then please do not conclude I am concurring with your position; indeed, the converse is more likely to be the case. I will, however, address the four major issues that are raised by your December 30 letter: (1) whether Halo's traffic is "interMTA"; (2) the assertion Halo's traffic is "wireline" and "interLATA"; (3) the applicability of Missouri PSC rules; and, (4) the "request that Halo Wireless begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection arrangements (including reciprocal compensation) for the intraMTA wireless traffic that Halo is terminating<sup>1</sup> to Citizens and Green Hills."

<u>Halo's CMRS traffic is 100% intraMTA.</u> You for some reason take issue with the statement in the letter I sent you on December 22, 2010 that all of our outbound traffic is intraMTA. I obviously do not know what your switch records may say, but I will reiterate that 100% of our traffic is intraMTA. If your clients are basing their contention based on a comparison of calling and called numbers that is not how CMRS calls are rated. Our network is designed so that every call is associated with a customer unit that communicates with a transmitter site that is in the same MTA as the called party. That is the test for whether a call is intraMTA. All of the Halo traffic your clients have transported and terminated, and all of the traffic your users may have addressed to a Halo number, is intraMTA.

<u>Halo's traffic is CMRS and thus is not "wireline." Your clients are not RBOCs. "LATA"</u> rules do not apply. I do not know the basis for any assertion that the call is "wireline" or even

<sup>&</sup>lt;sup>1</sup> I am somewhat confused by the characterization of Halo "terminating" traffic to your clients. Halo is not "terminating" traffic "to" your clients. Halo is originating traffic that is delivered to your clients through AT&T's tandem, and then your clients are "transporting and terminating" the calls. When a user of one of your clients dials a Halo number then your clients are originating traffic that is transited by AT&T and handed off to Halo for transport and termination. If your clients' user is required to dial 1+ to make a call addressed to Halo's user then the call may be handled by the user's IXC, but the call will still be intraMTA and thus subject to reciprocal compensation. This letter will use the correct terminology.

understand why you would make this claim. Halo is a CMRS provider and our traffic is CMRS. The "wireless" rules apply. Your clients are not legally inhibited by LATA boundaries, and neither is Halo. LATA boundaries are wholly irrelevant except to the extent they may impose some practical issues when an RBOC's network is involved.

<u>Missouri PSC Rules do not apply but FCC rules do.</u> Another reason for the delay in my response was that the Missouri PSC rules you cited had to be reviewed in an attempt to understand how a state commission's rules might possibly apply in this context. They do not, as a matter of law, given the specific situation at hand. Your clients are in the Kansas City MTA. Halo has a single transmitter for this MTA, and it is located in Junction City, Kansas. Therefore, even though all of the communications are intraMTA they are *also* <u>interstate</u>. Consequently, the Missouri PSC does not have any jurisdiction over Halo or the communications in issue and its rules cannot apply. Under Missouri law CMRS service is excluded from the definition of "telecommunications service" and a CMRS carrier therefore cannot be a "telecommunications company." *See*, section 386.020(52) and (54)(c). The state commission's rules simply cannot apply in this context.

We are certain that your clients will not take precipitous action, particularly since we have now replied to your December 30 letter. I will not tarry long on the topic of call blocking.<sup>2</sup> This is all interstate traffic and no state rules can apply. FCC regulations will apply to the extent there is truly a desire to block calls. If your clients and any other carrier working in concert with them want for some reason to block all concerned must comply with § 214(a) and (b) along with applicable FCC rules. The call blocking you describe fits the definition of "discontinuance, reduction, or impairment of service" in 47 C.F.R. § 63.60(b)(5) and requires a formal application under 63.62(b). There are other applicable requirements as well but I will not list them here.

<u>Your clients are currently being compensated through a "bill and keep" arrangement.</u> I must address an unstated premise in your letter. Your clients seem to think there is not a compensation mechanism in place for transport and termination. This is not correct. The FCC has made clear that in the absence of an agreement the compensation method for traffic subject to 251(b)(5) is bill and keep. Neither side pays the other for transport and termination. That default method stays in place unless and until there is a contract that provides for some other compensation scheme.

<u>Your request for negotiations.</u> It is apparent that your clients and you both in fact recognize the current default bill and keep compensation mechanism and fully understand that this default can only be changed through a contract that implements some other mechanism, because your letter asks that the parties negotiate to achieve a contract. But we do not know what your clients have in mind in terms of the various governing principles and procedures for obtaining a contract and your letter does not squarely fit how any of available vehicles work. The letter mentions "section 251" but there are multiple parts of § 251 that might apply and each has much different procedures and rules. Similarly, given that Halo is a CMRS provider there are also the independent substantive and procedural methods arising under § 332(c)(1)(B), which essentially applies § 201 and is enforced through § 208. Our problem is that your letter is wholly unclear as to which of the available mechanisms and processes you truly desire to use, and we believe your clients may misapprehend the substance and process that flows from each of them.

Halo is willing to discuss interconnection using § 251(a) as the vehicle. If your clients wish to supply a contract you have successfully negotiated using that approach we will review it and provide our thoughts. Section 251(a) is not implemented, however, through the negotiation and arbitration procedures in § 252. Nor is § 332(c)(1)(B). The FCC recognized the distinct

<sup>&</sup>lt;sup>2</sup> Your letter mentions blocking as part of the allegations concerning "interLATA wireline" traffic. I have already explained there is no such traffic.

processes a few years ago in the Order on Reconsideration, In the Matter of CoreComm Communications, Inc., and Z-Tel Communications, Inc. v. SBC Communications Inc., et al, File No. EB-01-MD-017, FCC 04-106, ¶ 18 and note 44, 19 FCC Rcd 8447 (rel. May 2004):

18. Neither the general interconnection obligation of section 251(a) nor the interconnection obligation arising under section 332 is implemented through the negotiation and arbitration scheme of section 252.<sup>[note 44]</sup>

<sup>[Note 44]</sup> Section 251(c) obligates incumbent LECs "to negotiate in good faith in accordance with section 252 the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (5) of subsection (b) and this subsection [*i.e.*, subsection (c)]." 47 U.S.C. § 251(c)(1). It does not require such negotiation with respect to section 251(a). Similarly, section 252(a)(1), 47 U.S.C. § 252(a)(1), permits ILECs to negotiate agreements "without regard to the standards set forth in subsections (b) and (c) of section 251," but does not mention subsection 251(a). Section 332(c)(1)(B) requires interconnection when the Commission finds such action necessary or desirable in the public interest. *See* 47 U.S.C. § 332(c)(1)(B) (providing that, upon reasonable request of a CMRS provider, the Commission shall order interconnection pursuant to section 201.). There is, again, no mention of the section 251/252 negotiation process.

Your letter also mentions "reciprocal compensation" – which is governed by § 251(b)(5). That section applies only to LECs and Halo is not an LEC and thus Halo is not directly covered by that provision although we have the right to choose to invoke §§ 251 and 252, become a requesting carrier and then require an ILEC to comply with whatever §§ 251/252 duties the ILEC may have.<sup>3</sup> The FCC, however, has exercised its powers under § 332(c)(1)(B) (which in turn relies on and applies § 201) to require that CMRS providers and LECs "shall comply with principles of mutual compensation." LECs "shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier" and CMRS providers "shall pay reasonable compensation to a local exchange carrier in connection with terminating traffic that originates on the facilities of the commercial mobile radio service provider." According to the FCC, LECs and CMRS providers "shall also comply with applicable provisions of part 51 of [47 C.F.R.]. See 47 C.F.R. § 20.11(b) and (c). This means that the FCC has exercised its § 332 powers to apply the same compensation principles for CMRS-LEC traffic that applies to LEC-LEC traffic under § 251(b)(5).<sup>4</sup> If your clients wish to negotiate terms in the context of  $\S 332(c)(1)(B)$  of the Act (again, applying  $\S 201$ ) and follow these parts of the rule, then Halo will do so. Should the parties not reach a voluntary agreement, then any disputes will and must be resolved by the filing of a complaint at the FCC under § 208 of the Communications Act. See 47 C.F.R. § 20.11(a).

<sup>&</sup>lt;sup>3</sup> See Local Competition Order ¶ 1008. Although your clients have § 251(b)(5) duties they are exempt from the § 251(c)(1) duty to negotiate in good faith to implement that duty on account of § 251(f). And for so long as your clients are exempt they cannot be subjected to a § 252 arbitration. One cannot fairly assert that an RLEC is immune from § 251(c) duties and from a § 252 arbitration because of the § 251(f) rural exemption but it can compel a competing carrier to state level arbitration under § 252 and still maintain the rural exemption.

<sup>&</sup>lt;sup>4</sup> This result does not mean that CMRS providers directly have § 251(b)(5) obligations. The FCC requires <u>LECs</u> to enter § 251(b)(5) arrangements with a CMRS provider that invokes § 252 and becomes a "requesting carrier" under § 252. Section 251(b)(5) does not otherwise directly bind CMRS providers since they are not LECs. CMRS and LECs, however, have had "mutual compensation" obligations since at least 1994. In the *Local Competition Order* the FCC exercised its separate and independent § 332 powers to impose § 251(b)(5)-like duties on CMRS in § 20.11 by incorporating part 51 rules through 20.11(c). In 2005 as part of its *T-Mobile* decision the FCC again used its § 332 powers to require CMRS providers to use § 252 procedures and to submit to state arbitration upon proper request by an ILEC by promulgating the amendment to the rules codified in § 20.11(e).

The FCC a few years ago gave ILECs the additional option of invoking "the negotiation and arbitration procedures contained in section 252 of the Act." *See* 47 C.F.R. § 20.11(e). When an ILEC does what is required by the rule to exercise this option the CMRS provider "receiving a request for interconnection must negotiate in good faith and must, if requested, submit to arbitration by the state commission." You could not have intended to use this procedure. The letter mentions only § 251, and does not invoke § 252 arbitration procedures. Nor does it request that Halo "submit to arbitration by the state commission." If I am incorrect in this regard, please send Halo a request that actually complies with the rule.

Should your clients choose this route<sup>5</sup> Halo would, of course, then follow the procedures in § 252 and the parties would have a 135 day window for negotiations. During those negotiations, our starting point would naturally be for full and complete implementation of §§ 251(b)(5), including the cost standards in § 252(d).<sup>6</sup> Halo will desire direct interconnection and will apply § 251(c)(2) as well as, again, § 252(d)(1). Halo's wireless network is 4G and we use Wi-Max, so we will be seeking IP-based interconnection rather than the more traditional circuitswitched interfaces and signaling. Transport and termination pricing will follow § 252(d)(2). We will also be interested in *inter alia*, resale (§ 251(c)(4)), collocation (§ 251(c)(6)), and structure access terms (§ 251(b)(4), invoking and applying § 224), and we will insist on faithful application of all the standards established in § 252 along with the FCC's implementing rules.

In order to reasonably assess any § 252 interconnection terms you may propose if you choose to proceed in that context we will request that your clients provide cost studies using TELRIC principles that support all of their proposed pricing for interconnection, traffic exchange, and collocation. We will seek studies reflecting your clients' claimed avoided cost for resale purposes. We will request the studies that will support your clients' proposed prices and terms for access to poles, conduits and rights of way. If your clients decide to operate in the context of a § 252 negotiation then 47 C.F.R. § 51.031 applies and Halo will request the costing information identified above and your clients must provide it under 51.301(c)(8)(i) and (ii).

Although Halo reserves all of its rights, including perhaps at some point taking recourse to § 252(i) or even becoming a requesting carrier, we are presently satisfied with the default bill and keep arrangement. Apparently, your clients are not. Halo will of course comply with federal law and therefore we will discuss § 251(a) interconnection terms, we will proceed under the FCC process<sup>7</sup> that applied prior to the amendment to 47 C.F.R. § 20.11 that gave ILECs the option of proceeding under § 252, or – if you choose to waive any § 251(f) exemptions and request use of § 252 procedures and file a compliant request that properly invokes it – we will follow § 20.11(e). But at this point we cannot discern which of the alternatives you prefer.

<sup>&</sup>lt;sup>5</sup> Lest there be any confusion, Halo has not invoked § 252 and is not a "requesting carrier" at this time. Nor is Halo in any way making a *bona fide* request under § 251(f)(1)(B). Your clients are the ones attempting in some as-yet unknown fashion to change the *status quo* arrangements and mechanisms in place.

<sup>&</sup>lt;sup>6</sup> By choosing to use § 252 processes your clients would necessarily be embracing § 251(c) since § 252 is entirely dedicated to implementation of § 251(b) and (c) and it cannot be used for solely § 251(a) interconnection related negotiations. Therefore any decision to take the option in 47 C.F.R. § 20.11(e) and invoke § 252 procedures would have to mean your clients are waiving any exemptions they may have under § 251(f).

<sup>&</sup>lt;sup>7</sup> States have traditionally retained some jurisdiction to initially set CMRS-LEC compensation rates for intrastate traffic, as the FCC recently observed in *North County*. In our case, however, there is no intrastate traffic. It is all interstate. Thus the only option would be a complaint under § 208 and then the FCC would directly apply its § 201/332 jurisdiction.

I look forward to your response that more clearly states precisely what it is your clients seek. Please let me know if you have any questions.

Thank you.

Sincerely,

for and

John Marks General Counsel jmarks@halowireless.com

EXHIBIT 6 1/26/2011 LETTER FROM W.R. ENGLAND, III

#### LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

BRIAN T. MCCARTNEY DIANA C. CARTER SCOTT A. HAMBLIN JAMIE J. COX L. RUSSELL MITTEN ERIN L. WISEMAN JOHN D. BORGMEYER

COUNSEL GREGORY C. MITCHELL

January 26, 2011

#### VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107 JAN 28 2011

Re: Request for Interconnection & Compensation Arrangements

Dear Mr. Marks:

Our firm represents the following Local Exchange Companies (LECs) in the state of Missouri.

Goodman Telephone Company Granby Telephone Company Grand River Mutual Telephone Corporation Lathrop Telephone Company McDonald County Telephone Company Oregon Farmers Mutual Telephone Company Ozark Telephone Company Seneca Telephone Company

These LECs have recently received billing records from their tandem provider, AT&T Missouri, indicating that Halo Wireless (Halo) is sending traffic through the AT&T tandems in Missouri, over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by these LECs. Currently, Halo has no agreement with any of these LECs to terminate this traffic.

Accordingly, these LECs request that Halo Wireless begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection arrangements (including reciprocal compensation) for the intraMTA wireless traffic that Halo Wireless is terminating to them.

Page 2 of 2 January 26, 2011

Please acknowledge receipt of this letter and indicate Halo's willingness to begin negotiations towards an interconnection agreement for the exchange of, and compensation for, intraMTA wireless traffic. I look forward to hearing from you.

Sincerely, W.R. England, III

WRE/da

EXHIBIT 7 1/27/2011 LETTER FROM W.R. ENGLAND, III

#### LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

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COUNSEL GREGORY C. MITCHELL

January 27, 2011

JAN 28 2011

## VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangement

Dear Mr. Marks:

Our firm represents the following Local Exchange Company (LEC) in the state of Missouri.

Rock Port Telephone Company (Rock Port)

Rock Port has recently received billing records from its tandem provider, AT&T Missouri, indicating that Halo Wireless (Halo) is sending traffic through the AT&T tandems in Missouri, over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by Rock Port. Currently, Halo has no agreement with Rock Port to terminate this traffic.

Accordingly, Rock Port requests that Halo Wireless begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection arrangements (including reciprocal compensation) for the intraMTA wireless traffic that Halo Wireless is terminating to it. Page 2 of 2 January 27, 2011

Please acknowledge receipt of this letter and indicate Halo's willingness to begin negotiations towards an interconnection agreement for the exchange of, and compensation for, intraMTA wireless traffic. I look forward to hearing from you.

Sincerely,

W.R. ENGLAND THE by BAM

W.R. England, III

WRE/da

EXHIBIT 8 2/7/2011 LETTER FROM HALO WIRELESS



3437 W. 7<sup>th</sup> Street, Suite 127, Fort Worth, TX 76107

February 7, 2011

W.R. England III Brydon, Swearengen & England 312 East Capitol Avenue P.O. Box 456 Jefferson City, Missouri 65102-0456

Re: Request for Interconnection & Compensation Arrangements for: Goodman Telephone Company, Granby Telephone Company, Grand River Mutual Telephone Corporation, Lathrop Telephone Company, McDonald County Telephone Company, Oregon Farmers Mutual Telephone Company, Ozark Telephone Company, Seneca Telephone Company

Dear Mr. England:

This will acknowledge receipt of your letter of January 26, 2011 regarding the above requests. Your clients have requested that Halo "begin negotiations, pursuant to Section 251 of the Telecommunications Act to establish appropriate interconnection arrangements (including reciprocal compensation) for the intraMTA wireless traffic Halo is terminating<sup>1</sup> to them." As you know, and as has been previously pointed out to you, there are multiple parts of §251 that might apply and each has much different procedures and rules. Similarly, given that Halo is a CMRS provider there are also the independent substantive and procedural methods arising under §332(c) (1)(B), which essentially applies §201 for substantive interconnection responsibilities and is procedurally handled through §208. Our problem is that your letter is wholly unclear as to which of the available mechanisms and processes you truly desire to use.

Halo is willing to discuss interconnection using §251(a) as the vehicle. If your clients wish to supply a contract you have successfully negotiated using that approach we will review it and provide our thoughts. Section 251(a) is not implemented, however, through the negotiation and arbitration procedures in §252 if you were of a mind to use those procedures. Nor is §332(c)(1)(b). The FCC recognized the distinct processes a few years ago in the *Order on Reconsideration, In the Matter of CoreComm Communications, Inc., and Z-Tel Communications, Inc. v. SBC Communications Inc., et al,* File No. EB-01MD-017, FCC 04-106, ¶ 18 and note 44, 19 FCC 8447 (rel. May 2004), quoted to you in my letter regarding Citizens and Green Hills.

Your letter also mentions "reciprocal compensation" – which is governed by \$251 (b)(5) and relates to \$251(c) duties, with substantive requirements imposed by \$252(d) and is part of the negotiation and arbitration processes described in \$252. Section 251(b)(5) applies only to LECs. Halo is not an LEC and thus Halo is not directly covered by that provision although we have the right to choose to invoke \$251 and 252, become a requesting carrier and then require an ILEC to comply with whatever \$251/252 duties the ILEC may have.<sup>2</sup> The FCC, however, has exercised its powers under \$332(c)(1)(B)

<sup>&</sup>lt;sup>1</sup> Halo is not "terminating" traffic to your clients. Halo is originating traffic that your clients transport and terminate.

<sup>&</sup>lt;sup>2</sup> See Local Competition Order ¶1008. Although your clients have §251(b)(5) duties they are exempt from the §251(c)(1) duty to negotiate in good faith to implement that duty on account of §251(f). And for so long as your

(which in turn relies on and applies §201) to require that CMRS providers and LECs "shall comply with principles of mutual compensation." LECs "shall pay reasonable compensation to a commercial mobile radio service provider in connection with terminating traffic that originates on facilities of the local exchange carrier" and CMRS providers "shall pay reasonable compensation to a local exchange carrier in connection with terminating traffic that originates on the facilities of the commercial mobile radio service provider." According to the FCC, LECs and CMRS providers "shall also comply with applicable provisions of part 51 of [47 C.F.R.]. See 47 C.F.R. §20.11(b) and (c). This means that the FCC has exercised its §332 powers to apply the same compensation principles for CMRS-LEC traffic that applies to LEC-LEC traffic under §251(b)(5).<sup>3</sup> If your clients wish to negotiate terms in the context of §332(c)(1)(B) of the Act (again, applying §201) and follow these parts of the rule, then Halo will do so. Should the parties not reach a voluntary agreement, then any disputes will and must be resolved by the filing of a complaint at the FCC under §208 of the Communications Act. *See* §20.11(a).

The FCC a few years ago gave ILECs the additional option of invoking "the negotiation and arbitration procedures contained in Section 252 of the Act." See 47 C.F.R. §20.11(e). When an ILEC does what is required by the rule to exercise this option the CMRS provider "receiving a request for interconnection must negotiate in good faith and must, if requested, submit to arbitration the state commission." You could not have intended to use this procedure. The letter mentions only §251, and does not invoke §252 arbitration procedures. Nor does it request that Halo "submit to arbitration by the state commission." If I am incorrect in this regard, please send Halo a request that actually complies with the rule.

Should your clients choose this route<sup>4</sup> Halo would, of course, then follow the procedures in §252 and the parties would have a 135 day window for negotiations. During those negotiations, our starting point would naturally be for full and complete implementation of §§ 251(b)(5), including cost standards in §252(d).<sup>5</sup> Halo will direct interconnection and will apply §251(c)(2) as well as, again, §252(d)(1). Halo's wireless network is 4G and we use Wi-Max, so we will be seeking IP-based interconnection rather than the more traditional circuit-switched interfaces and signaling. Transport and termination pricing will follow §252(d)(2). We will also be interested in *inter alia*, resale (§251(c)(4)), collocation (§251(c)(6)), and structure access terms (§251(b)(4), invoking and applying §224, and we will insist on faithful application of all the standards established in §252 along with the FCC's implementing rules.

In order to reasonably assess any §252 interconnection terms you may propose if you choose to proceed in that context we will request that your clients provide cost studies using TELRIC principles that support all of their proposed pricing for interconnection, traffic exchange, and collocation. We will seek studies reflecting your clients' claimed avoided cost for resale purposes. We will request the studies

clients are exempt they cannot be subjected to a §252 arbitration. Nor in our opinion can they demand that a CMRS provider submit to the §252 process if and to the extent they intend to maintain their rural exemption. One cannot fairly assert that an RLEC is immune from §252 (c) duties and from a §252 arbitration because of the §251(f) rural exemption but it can compel a competing carrier to state level arbitration under §252 and still maintain the rural exemption.

<sup>&</sup>lt;sup>3</sup> This result does not mean that CMRS providers directly have §251(b)(5) obligations. The FCC requires <u>LECs</u> to enter §251(b)(5) arrangements with a CMRS provider that invokes §252 and becomes a "requesting carrier" under §252. Section 251(b)(5) does not otherwise directly bind CMRS providers since they are not LECs. CMRS and LECs, however, have had "mutual compensation" obligations since at least 1994. In the *Local Competition Order* the FCC exercised its separate and independent §332 powers to impose §251(b)(5)-like duties on CMRS in §20.11 by incorporating part 51 rules through 20.11(c). In 2005 as part of its *T-Mobile* decision the FCC again used its §332 powers to require CMRS providers to use §252 procedures and to submit to state arbitration upon proper request by an ILEC by promulgating the amendment to the rules codified in §20,11(e).

<sup>&</sup>lt;sup>4</sup> Lest there be any confusion, Halo has not invoked §252 and is not a "requesting carrier" at this time. Nor is Halo in any way making a *bona fide* request under §251 (f)(1)(B). Your clients are the ones attempting in some as-yet unknown fashion to change the *status quo* arrangements and mechanisms in place.

<sup>&</sup>lt;sup>5</sup> By choosing to use §252 processes your clients would necessarily be embracing §252(b) and (c) and it cannot be used for solely §251(a) interconnection related negotiations. Therefore any decision to take the option in 47 C.F.R. §20.11(e) and invoke §252 procedures would have to mean your clients are waiving any exemptions they may have under §251(f).

that will support your clients' proposed prices and terms for access to poles, conduits and rights of way. If your clients decide to operate in the context of a §252 negotiation then 47 C.F.R. §51.031 applies and Halo will request the costing information identified above and your clients must provide it under 51.301(c)(8)(i) and (ii).

Although Halo reserves all of its rights, including perhaps at some point taking recourse to §252(i) or even becoming a requesting carrier, we are presently satisfied with the default bill and keep arrangement. Apparently, your clients are not. Halo will of course comply with federal law and therefore we will discuss §251(a) interconnection terms. We will proceed under the FCC process<sup>6</sup> that applied prior to the amendment to 47 C.F.R. §20.11 that gave ILECs the option of proceeding under §252, or – if you choose to waive any §251(f) exemptions and request use of §252 procedures and file a compliant request that properly invokes it – we will follow §20.1(e). But at this point we cannot discern which of the alternatives you prefer.

I look forward to hearing from you in behalf of each and all your clients in a way that states precisely what your clients seek.

Thank you.

Sincerely,

John Marks General Counsel jmarks@halowireless.com

<sup>&</sup>lt;sup>6</sup> States have traditionally retained some jurisdiction to initially set CMRS-LEC compensation rates for intrastate traffic, as the FCC recently observed in *North County*. In our case, however, there is no intrastate traffic. It is all interstate since our sole wireless transmitter that serves the Kansas City MTA is located in Junction City, Kansas. Therefore, even though all of the communications between Halo and your clients are intraMTA they are also interstate. Thus the only option would be a complaint under §208 and then the FCC would apply its §201/332 jurisdiction.

EXHIBIT 9 2/9/2011 LETTER FROM W.R. ENGLAND, III

#### LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

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COUNSEL GREGORY C. MITCHELL

February 9, 2011

#### VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangement

Dear Mr. Marks:

I have received and reviewed your correspondence dated January 24, 2011, but I am not sure you answered what I thought was a fairly simple and straight-forward question: "Will Halo begin good faith negotiations towards an interconnection agreement, to include reciprocal compensation arrangements, for the exchange of local traffic between it and Citizens Telephone Company ("Citizens"), Green Hills Telephone Company and Green Hills Telecommunications Services (collectively "Green Hills")?" Instead, you engage in a lengthy (and not necessarily correct) summary of the legal and regulatory issues relating to interconnection. Many of the issues you address, such as the nature of the traffic (wireline or wireless), the jurisdiction of the traffic (intraMTA or interMTA), the compensation for the traffic (Bill & Keep, TELRIC rates, etc.) and the nature and extent of interconnection (direct, indirect, collocation, resale, etc.) are more appropriately addressed in the context of interconnection negotiations, assuming Halo is willing to negotiate.

While I do not necessarily agree with many of the positions you advance in your correspondence (and I will address them in a separate response), for now, the threshold issue to be addressed is your apparent belief that my December 30, 2010, correspondence was insufficient to initiate the interconnection process as provided in Section 251 of the Telecommunications Act of 1996. It is abundantly clear from the FCC's 2005 T-Mobile decision that you reference in your letter, that local exchange companies, such as my clients, have the right to initiate negotiations and, if necessary, pursue arbitration to establish interconnection and reciprocal compensation arrangements with CMRS providers. While my correspondence did not explicitly mention Section 252 of the Telecommunications Act of 1996

("Act"), it was sufficiently clear to begin the negotiation process as envisioned by the FCC in its T-Mobile decision. It is my clients' hope that they and Halo can negotiate an agreement without the necessity of arbitration, as my clients have been able to do with many of the major wireless carriers. Nevertheless, let me make it clear that if they cannot negotiate an agreement with Halo, my clients are willing to engage in arbitration pursuant to Section 252 of the Act before the Missouri Public Service Commission.

In the meantime, all I need is for you to answer the following two questions (and it should not take twenty-five (25) days to do so):

1. Is Halo willing to negotiate (and, if necessary, arbitrate) an interconnection agreement pursuant to Sections 251 and 252 of the Telecommunications Act?

2. If so, what date is Halo willing to recognize as the "start date" for such negotiations?

I would appreciate a prompt reply to this correspondence because if Halo is willing to begin good faith negotiations toward an agreement, then my clients will withdraw their pending request to AT&T to begin blocking Halo's traffic on March 1, 2011.

Sincerely. [Xb] W.R. England, II

WRE/da

EXHIBIT 10 2/11/2011 LETTER FROM AT&T MISSOURI



Leo J. Bub General Attorney AT&T Missouri One AT&T Center Room 3518 St. Louis, Missouri 63101

T: 314.235.2508 F: 314.247.0014 leo.bub@att.com

# CERTIFIED U.S. MAIL NO. 7009 3410 0000 7781 2517

February 11, 2011

Mr. Todd Wallace, CTO Halo Wireless, Inc. 3437 W. 7<sup>th</sup> Street, Box 127 Fort Worth, Texas 76107

## Re: Blocking Request from: Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, and Green Hills Telecommunications Services

Dear Mr. Wallace:

We are writing to notify you that we have received and are required to implement demands from Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, and Green Hills Telecommunications Services, which are located in Missouri (the "Companies"), to block your company's traffic that transits AT&T Missouri's network and terminates to the Companies' exchanges.

The Companies have made this request pursuant to the Missouri Public Service Commission's Enhanced Record Exchange Rule which provides that:

A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange Carrier (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver the originating caller identification to the transiting and/or terminating carriers.

4 CSR 240-29.130(2). The rule further provides that following the notification required by the rule and on written request by a terminating carrier:

... the originating tandem carrier will be required to block LEC-to-LEC traffic of an originating carrier and/or traffic aggregator to the terminating carrier. Such requests shall be based on the terminating carrier's representation that the originating carrier and/or traffic aggregator has failed to fully compensate the terminating carrier for terminating compensable traffic....

Mr. Todd Wallace February 11, 2011 Page 2

4 CSR 240-29.110(5). The Commission's rules define "LEC-to-LEC" traffic as "that traffic occurring over the LEC-to-LEC network. LEC-to-LEC traffic does not traverse through an interexchange carrier's point of presence." 4 CSR 240-29.020(19). Similar denial of service provisions are contained in AT&T's interstate switched access service tariff, FCC No. 73, Section 2.1.3(c).

Thus, unless the Missouri Commission or other authority with competent jurisdiction issues an order staying the blocking of your company's traffic, we believe we are bound to follow the Companies' directives. We are beginning to perform the work necessary to implement this directive and will be in a position to commence the blocking on March 15, 2011.

Please call me with questions or if you need further information.

Very truly yours,

Low Mr.

Mr. John Marks, Halo Wireless, Inc. (Via E-Mail and U.S. Mail) cc: Mr. William R. England, III (Via E-Mail) Mr. John Van Eschen, Missouri Public Service Commission Telecommunications Department Manager (Via E-Mail)

EXHIBIT 11 2/14/2011 LETTER FROM HALO WIRELESS



3437 W. 7th Street, Suite 127, Fort Worth, TX 76107

February 14, 2011

W.R. England II Brydon, Swearengen & England 312 East Capitol Ave P.O. Box 456 Jefferson City, Missouri 65102-0456

RE: Your letter dated February 9, 2011

Dear Mr. England:

I received your letter dated February 9, 2011. This is our response.

Your letter reflects a misunderstanding of both § 252 of the federal Act and the FCC's rules. Section 252(a)(1) does not contemplate that an ILEC will or can be a requesting carrier. Nor does any other part of § 252 or even § 251. ILECs cannot initiate the § 252 process. For that reason Halo does not have any duty to begin negotiations if and to the extent your clients are relying solely on § 252. Similarly § 332(c)(1)(B) does not contemplate that an ILEC can request interconnection with a CMRS provider. For that reason Halo does not have any duty to begin negotiations if and to the extent your clients are relying on § 332(c)(1)(B).

Even though Halo has no duty if and to the extent your clients are relying on §§ 251, 252 or 332(c)(1)(b) we are willing to negotiate with them. But any such negotiations will *not* occur in the context of § 252, and those processes will not apply. Nor will either party have recourse to the state commission if no agreement can be reached through negotiations.

Your letter says that your clients are attempting to implement rights given to ILECs in the FCC's Declaratory Ruling and Report and Order, *In the Matter of Developing a Unified Intercarrier Compensation Regime, T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs*, CC Docket 01-92, FCC 05-42, 20 FCC Rcd 4855 (2005). That FCC decision resulted in promulgation of an amendment to 47 C.F.R. § 20.11 by adding subsection (e), and that is the only source of any authority for an ILEC to demand negotiations with CMRS providers. If the ILEC properly implements § 20.11(e) then the ILEC can "invoke the negotiation and arbitration procedures contained in section 252 of the Act." If the ILEC properly invokes § 20.11(e) then the CMRS provider has the duty to negotiate in good faith. If the ILEC requests, the CMRS provider must "submit to arbitration by the state commission."

It appears, however, that you have not actually read that rule. For your convenience I set it out in full:

(e) An incumbent local exchange carrier may request interconnection from a commercial mobile radio service provider and invoke the negotiation and arbitration procedures contained in section 252 of the Act. A commercial mobile radio service provider receiving a request for interconnection must negotiate in good faith and must, if requested, submit to arbitration by the state commission.

Once a request for interconnection is made, the interim transport and termination pricing described in § 51.715 of this chapter shall apply.

The rule is straightforward. It has three parts and each part must be expressly invoked before there is any duty imposed on the CMRS provider. In order to properly invoke § 20.11(e) the ILEC must "request interconnection." You have now written us twice, and even after I advised you in my January 24, 2011 letter that you did not "request interconnection" you still failed to do so. You have not requested interconnection, and that is a prerequisite to proper invocation of § 20.11(e). Further, you must also "invoke the negotiation and arbitration procedures contained in section 252." Your first letter did not mention § 252; it referenced § 251. Your recent letter refers in one place to § 251, but finally does contain a citation to § 252. I will therefore acknowledge that you have now done one of the two things the rule requires an ILEC to do before the CMRS provider has the duty to negotiate. When and if your clients "request interconnection" you will have finally done what the rule requires to at least partially invoke § 20.11(e).

There is a separate and independent third part, however, which your letters also have not done even though my response to your mentioned it as well. Under the rule the ILEC must expressly request the CMRS provider to submit to state-level arbitration. When the request is made the CMRS provider must so submit. But submission is not an automatic thing. There must be a request, and to date your clients have not made that request.

I will summarize: when your clients "request interconnection" with Halo you will have finally done what the first sentence in 20.11(e) requires. When your client actually requests that Halo submit to state-level arbitration then we will. Your communications have not done either of these things. Therefore no clock is ticking and if you were to file an arbitration at the state commission without requesting that Halo submit then the state commission will not have jurisdiction.

If and when you comply with the rule's requirements, the clock will begin. Section 252(a)(1) allows the two carriers to "negotiate and enter into a binding agreement ... without regard to the standards set forth in subsections (b) and (c) of section 251." The provision is voluntary, however. Our present intent is to not voluntarily negotiate outside of subsections (b) or (c). Rather, we will insist on complete adherence to the standards for both, and nothing in this letter or my January 24, 2011 letter should be taken as any indication of a willingness to stray outside those boundaries. The only matters we will negotiate, and therefore the only "open issues" there might ever be for a state commission to arbitrate, will be implementation of your clients' duties under subsections (b) and (c).<sup>1</sup> An ILEC is "clearly free to refuse to negotiate any issues other than those it has a duty to negotiate under the Act," See CoServ, LLC v. Southwestern Bell, 350 F.3d 482, 488 (5<sup>th</sup> Cir., 2003). Certainly a non-LEC CMRS carrier is equally free to refuse to negotiate any issue other than implementation of the ILEC's subsection (b) and (c) duties and § 20.11(e) does not purport to require that the CMRS provider do more than the ILEC receiving a § 252 request must do.

Therefore, if your clients choose to fully invoke § 20.11(e) and finally do the things the rule says must be done, the resulting negotiations will not involve § 251(a), or any other matter. We will enter good faith negotiations to implement your clients' duties under § 251(b)(1) - (5). Since your clients will have "requested interconnection" and since your clients will have been the ones that invoked § 252 processes they will have necessarily waived any § 251(f) exemption. We will engage in good faith negotiations to implement your clients new-found § 251(c)(2)-(6) duties. Section 252 is exclusively devoted to those subsections, and does not even mention §

<sup>&</sup>lt;sup>1</sup> Halo is not an LEC and does not have any duties under either of those subsections.

251(a), so that will not be a part of the negotiations. We will insist on strict adherence to the standards for § 251(b) and (c) set out in § 252(d) and then of course the FCC's Part 51 rules.

Further, as I indicated to you in my January 24, 2011 letter, Halo will seek direct interconnection and we will propose to use IP-based interconnection rather than the more traditional circuit-switched interfaces and signaling. I will not repeat the list of information requests we will have, but we will seek that information.

The "simple" answer to your "simple" question is yes. Halo will negotiate. I advised you that we were prepared to do so in my January 24 letter. But in case it was not sufficiently clear I will say it again. We will negotiate under § 251(a), but will not do so in the § 252 context. If your clients ever do what § 20.11(e) requires then the clock will start and we will comply with that rule. Then, however, we will be operating in the § 252 context and any negotiations (and therefore the open issues) will be purely limited to implementing your clients' duties under § 251(b) and (c), by applying the standards set out in § 252(d) and following the FCC's Part 51 rules.

The choice is yours.

Thank you.

Sincerely,

-Drodh

John Marks General Counsel jmarks@halowireless.com

EXHIBIT 12 2/14/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

February 14, 2011

#### Via email and certified mail

Leo Bub Counsel AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

Re: Request for Blocking of Traffic of Halo Wireless Inc. terminating to Mid-Missouri Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Bub:

This is a traffic blocking request made pursuant to 4 CSR 240-29.130. The terminating carrier making this request is Mid-Missouri Telephone Company (MMTC). The originating carrier whose traffic MMTC is requesting ATTMo to block is that of Halo Wireless Inc., OCN 429F (HW).

MMTC billed HW on January 1, 2011. HW refused to honor the invoice by letter dated January 14, 2011, saying it had no obligation to pay. I sent HW an email on January 25, 2011 in which I advised them of the Missouri Enhanced Record Exchange Rule requirements, and offered to negotiate an interconnection agreement that, upon its approval, would also apply to traffic terminated prior to its approval. HW has not responded. I attach copies of these communications for your reference. In addition to this failure to fully compensate MMTC, based on MMTC switch records it appears that some of the traffic is wireline originated, some is interLATA wireline traffic, and HW has not delivered correct originating caller identification information to MMTC.

MMTC requests that ATTMo block HW traffic from terminating over the LEC-to-LEC network to the following MMTC exchanges:

<b>Exchange</b>	<u>NPA-NXX</u>	
Fortuna	660-337	
Bunceton	660-427	
Latham	660-458	
High Point	660-489	
Gilliam	660-784	
Pilot Grove	660-834	
Arrow Rock	660-837	
Speed	660-838	
Blackwater	660-846	

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 Miami
 660-852

 Nelson
 660-859

 Marshall Junction
 660-879

MMTC requests that this traffic be blocked on March 21, 2011, or another date mutually agreeable to MMTC and ATTMo that is within 45 days of this request. 4 CSR 240-29.130(6).

Please let me know as soon as you can.

Sincerely, S. Johnson

cc: Todd Wessing Sherre Campbell Bonnie Gerke John Van Eschen Bill Voight Todd Wallace, CTO, Halo Wireless John Marks, General Counsel, Halo Wireless

# wireless

3437 W. 7th Street, Suite 127, Fort Worth, TX 76107

January 14, 2011

Ms. Sherre Campbell Mid-Missouri Telephone Company Division of Otelco Telephone 505 3<sup>rd</sup> Avenue E Oneonta, AL 35121

Dear Ms. Campbell:

This will acknowledge receipt of your statement of January 1, 2011. You assigned Invoice No. 0010620.

Please be advised that Halo Wireless Communications is a Commercial Mobile Radio Service (CMRS) provider. The charges reflected in your statement appear to relate to transport and termination of intra-MTA traffic. Such charges may not be assessed against CMRS carriers absent a contract, and Halo is under no obligation to pay them.

Sincerely,

12ma

John Marks General Counsel jmarks@halowireless.com

## **Craig Johnson**

From:	Craig Johnson
Sent:	Tuesday, January 25, 2011 11:56 AM
To:	'jmarks@halowireless.com'
Cc:	Bill Voight; Leo Bub (leo.bub@att.com)
Subject:	Halo Wireless traffic terminating in Missouri, Mid-Missouri Tel Co, Alma Tel Co., Chariton Valley Tel Corp, Northeast Mo Rural Tel, MoKan Dial Inc., Choctaw Tel Co.,

Attachments: 11.1.25 ERE 4 CSR 240-29.pdf; 11.1.14 Halo Letter refusing MMTC invoice.pdf Mr. Marks;

Appreciate your taking this email and responding. Always prefer cooperation over litigation. Would like to discuss this with you by phone, but could not obtain your phone number from your website. Please give me a call and we can discuss this, or give me your phone number and I will call you.

Several of my clients are starting to see Halo Wireless traffic terminating to them over FGC trunks, with ATT giving us billing records we are to use to bill HW. I have seen one letter from you dated Jan 14 to Sherre Campbell of Mid-Missouri Telephone, also attached, refusing to honor such an invoice on the grounds it is for intraMTA traffic. That is a response that is not acceptable in Missouri. I represent several other small rural ILECs, listed above, and I anticipate this process is likely to be repeated for them.

We have a history in Missouri that resulted in a rule that applies to us in this situation-it applies to us, to ATT, and to HW. It is referred to as the "enhanced record exchange rule", and can be found at 4 CSR 240-29. I attach a copy for your reference. It applies to traffic transited to us by ATT for termination over the FCG trunks. Without going into too much detail, if HW believes any of the traffic should be subjected to reciprocal compensation instead of exchange access, it is HW's responsibility to secure interconnection agreements/reciprocal compensation agreements with us prior to delivering traffic for termination. It that has not been done, we bill the traffic as access traffic in accordance with the billing records ATT provides us. We have no other vehicle by which to bill for this traffic. The billing records ATT provides show the traffic as intrastate intraLATA access traffic. If HW rejects an invoice billing this as access traffic, our remedy is to request ATT to block your traffic. AT&T is to block the traffic if we make the appropriate request. I assume HW does not want its traffic to be blocked.

The best way to avoid blocking or litigation regarding this traffic is for us to negotiate an interconnection agreement, or for HW to adopt the terms of an existing IA, and to apply the resulting IA to traffic delivered by HW to ATT for termination to my clients prior to the approval of the IA.

Please advise if you want to consider adopting or negotiating an agreement similar to that of other CMRS providers. I can provide you samples of interconnection agreements approved for national wireless carriers.

If I hear nothing from you before Feb 1, I will assume HW is not interested in this proposal, and I will proceed to protect my clients' interests by pursuing traffic blocking requests.

Craig S. Johnson Johnson & Sporleder, LLP 304 E High St. Suite 200 P.O. Box 1670 Jefferson City, MO 65102 (573) 659-8734 (573) 761-3587 FAX cj@cjaslaw.com

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EXHIBIT 13 2/14/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

February 14, 2011

## Via email and certified mail

Todd Wallace, CTO Halo Wireless Inc 3437 W. 7<sup>th</sup> St Box 127 Fort Worth, TX 76107

FEB ( g) con

Re: Notice of Request for Blocking of Traffic of Halo Wireless Inc. terminating to Mid-Missouri Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Wallace:

Please be notified that Mid-Missouri Telephone Company (MMTC) has requested that AT&TMo block Halo Wireless Traffic terminating to MMMTC pursuant to Missouri Public Service Commission Rule 4 CSR 240-29.130. A copy of that request is attached hereto for your reference.

Pursuant to the Commission Rule, Halo Wireless is notified of the reasons for, date of, and actions it can take to avoid, this traffic blocking.

# Reasons for Blocking Request

Halo Wireless has refused to pay compensation for the traffic ATTMo identified Halo Wireless as being the originating carrier for, stating it had no obligation to pay MMTC's invoice therefore; Halo Wireless has refused to respond to MMTC's request to negotiate or adopt an interconnection agreement and apply the approved agreement to traffic terminating to MMTC prior to approval; it appears some HW traffic transited by ATTMo to MMTC is interLATA wireline traffic; it appears some HW traffic transited by ATTMo to MMTC may not have been originated by HW; and it appears HW may not have delivered correct originating caller identification to MMTC for such traffic.

# Date Traffic is Requested to be Blocked

March 21, 2011.

# Actions Halo Wireless Can Take to Prevent Blocking

Halo Wireless can take any of the following actions to prevent implementation of this blocking request:

a. agree to enter into good faith negotiations to adopt or establish an interconnection

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## agreement with MMTC; or

b. placing a sufficient amount of monies into escrow for MMTC to recover its intrastate intraLATA access charges on all HW intrastate intraLATA traffic transited by ATTMo for termination to MMTC coupled with filing a formal complaint with the Missouri Public Service Commission; or

c. using alternative means of delivering the traffic in question for termination to MMTC that does not deliver the traffic to a LEC-to-LEC network originating tandem carrier, such as contracting with interexchange for delivery of HW traffic. resence of an interexchange carrier via the use of feature group A, B, or D protocols; or

d. directly interconnecting with MMTC.

If HW chooses any of these alternatives, please notify me, ATTMo, and John Van Eschen no later than March 14, 2011 to avoid effectuation of traffic blocking.

If any questions or concerns arise regarding this notice, please direct them to me.

Sincerely, S. Johnson

cc: Todd Wessing Bonnie Gerke Sherre Campbell John Van Eschen, Mgr. MoPSC Telecommunications Dept. Bill Voight John Marks EXHIBIT 14 2/17/2011 LETTER FROM W.R. ENGLAND, III

# LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

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COUNSEL GREGORY C. MITCHELL

February 17, 2011

# VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangements

Dear Mr. Marks:

Previously we have sent you requests on behalf of the following Local Exchange Companies (LECs) to begin negotiations with Halo Wireless (Halo) toward an Interconnection Agreement pursuant to Section 251 of the Telecommunications Act of 1996:

Citizens Telephone Company Green Hills Telephone Corporation Green Hills Telecommunication Services

Goodman Telephone Company Granby Telephone Company Grand River Mutual Telephone Corporation Lathrop Telephone Company McDonald County Telephone Company Oregon Farmers Mutual Telephone Company Ozark Telephone Company Seneca Telephone Company

Rock Port Telephone Company

December 30, 2010

Letter Sent

January 26, 2011

January 27, 2011

Page 2 of 2 February 17, 2011

In addition to the above, several other LECs that we represent have recently received billing records from their tandem provider, AT&T Missouri, indicating that Halo is sending traffic to the AT&T tandems in Missouri over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by these LECs. Currently, Halo has no agreement with any of these LECs to terminate this traffic.

Accordingly, the following LECs request that Halo begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection agreements (including reciprocal compensation) for the local (i.e., intraMTA) wireless traffic that Halo Wireless is terminating to them.

Ellington Telephone Company Farber Telephone Company Fidelity Telephone Company Fidelity Communications Services I Fidelity Communications Services II Holway Telephone Company Iamo Telephone Corporation Kingdom Telephone Company KLM Telephone Company Le-Ru Telephone Company Mark Twain Rural Telephone Company Mark Twain Communications Company New Florence Telephone Company Steelville Telephone Exchange, Inc.

In response to our earlier correspondence, you have questioned the procedures that these LECs are pursuing to request negotiations. Accordingly, let me make it clear that these LECs seek to initiate negotiations toward an interconnection agreement pursuant to Sections 251 and 252, as envisioned by the FCC in its 2005 T-Mobile decision. Therefore, if voluntary negotiations are unsuccessful, these LECs are willing to submit to arbitration before the Missouri Public Service Commission.

Accordingly, please acknowledge receipt of this letter and indicate Halo Wireless' willingness to begin negotiations towards an interconnection agreement for the exchange of, and compensation for, local (intraMTA) wireless traffic. I look forward to hearing from you.

Sincerely. 2 KASDE W.R. England.

WRE/da

EXHIBIT 15 2/17/2011 LETTER FROM AT&T MISSOURI



Leo J. Bub General Attorney AT&T Missouri One AT&T Center Room 3518 St. Louis, Missouri 63101

T: 314.235.2508 F: 314.247.0014 leo.bub@att.com

# CERTIFIED U.S. MAIL NO. 7005 1820 0005 3265 8936

February 17, 2011

Mr. Todd Wallace, CTO Halo Wireless, Inc. 3437 W. 7<sup>th</sup> Street, 127 Fort Worth, Texas 76107

# Re: Blocking Request From Mid-Missouri Telephone Company

Dear Mr. Wallace:

We are writing to notify you that we have received and are required to implement demands from Mid-Missouri Telephone Company, which is located in Missouri ("Mid Missouri"), to block your company's traffic that transits Southwestern Bell Telephone Company, d/b/a AT&T Missouri's ("AT&T Missouri's") network and terminates to Mid-Missouri's exchanges.

Mid-Missouri has made this request pursuant to the Missouri Public Service Commission's Enhanced Record Exchange Rule which provides that:

A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange Carrier (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver the originating caller identification to the transiting and/or terminating carriers.

4 CSR 240-29.130(2). The rule further provides that following the notification required by the rule and on written request by a terminating carrier:

... the originating tandem carrier will be required to block LEC-to-LEC traffic of an originating carrier and/or traffic aggregator to the terminating carrier. Such requests shall be based on the terminating carrier's representation that the originating carrier and/or traffic aggregator has failed to fully compensate the terminating carrier for terminating compensable traffic....

4 CSR 240-29.110(5). The Commission's rules define "LEC-to-LEC" traffic as "that traffic occurring over the LEC-to-LEC network. LEC-to-LEC traffic does not

Mr. Todd Wallace February 17, 2011 Page 2

traverse through an interexchange carrier's point of presence." 4 CSR 240-29.020(19). Similar denial of service provisions are contained in AT&T's interstate switched access service tariff, FCC No. 73, Section 2.1.3(c).

Thus, unless the Missouri Commission or other authority with competent jurisdiction issues an order staying the blocking of Mid-Missouri's traffic, we believe we are bound to follow Mid-Missouri's directive. We are beginning to perform the work necessary to implement this directive and will be in a position to commence the blocking on March 21, 2011.

Please call me with questions or if you need further information.

Very truly yours,

# Leo J. Bub

Mr. John Marks, Halo Wireless, Inc. (Via E-Mail and U.S. Mail)
 Mr. Craig S. Johnson (Via E-Mail)
 Mr. John Van Eschen, Missouri Public Service Commission
 Telecommunications Department Manager (Via E-Mail)

EXHIBIT 16 2/18/2011 LETTER FROM W.R. ENGLAND, III

## LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

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COUNSEL GREGORY C. MITCHELL

February 18, 2011

# VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangements

Dear Mr. Marks:

I received and have reviewed your correspondence dated February 14, 2011. Not surprisingly, I disagree with your analysis and conclusion regarding the "3-step" process which you assert my clients must follow in order to begin negotiations towards an interconnection agreement. I believe Citizens Telephone Company (Citizens), Green Hills Telephone Corporation and Green Hills Telecommunications Services (collectively Green Hills) have fully complied with the requirements established by the FCC to begin the interconnection agreement process. Your strained reading of the FCC rules and refusal to accept that the negotiation process has begun indicates that Halo is not willing to enter into good faith negotiations.

Your letter states that one of the necessary prerequisites to begin the negotiation (and arbitration) process contemplated by Sections 251 and 252 require my clients to specifically request interconnection. That is illogical given the facts that gave rise to the FCC's decision in the 2005 T-Mobile case. As indicated in my initial letter dated December 30, 2011, Halo has already established interconnection with Citizens and Green Hills (albeit indirect) and begun delivering traffic through the AT&T tandem for ultimate termination to Citizens and Green Hills. Halo unilaterally established this interconnection and began sending traffic to Citizens and Green Hills without prior notification, let alone a request, to do so. All Citizens and Green Hills seek is an agreement to establish appropriate terms and conditions for that arrangement, including the appropriate compensation mechanisms, which they are clearly permitted to do under the FCC's T-Mobile decision. This is exactly the situation the FCC was addressing in the T-Mobile case, and your suggestion that my clients pursue the unnecessary and meaningless act of requesting interconnection makes no sense (other than to possibly delay the negotiation process).

Page 2 of 2 February 18, 2011

Your letter also states that my clients must expressly request Halo to submit to state level arbitration. First, such a requirement assumes that Halo has the option of rejecting such a request for arbitration, which it does not. Second, such a request is premature as it assumes voluntary negotiation will be unsuccessful. Again, the only purpose in raising this requirement seems to be to delay the process.

It is particularly significant that since the FCC's 2005 T-Mobile decision, Citizens and Green Hills have been able to successfully negotiate (or arbitrate) interconnection agreements with all of the wireless carriers (both large and small) that are terminating traffic to them. Not one of those wireless carriers rejected Citizens' or Green Hills' requests to begin negotiations pursuant to Section 251 of the Act, and certainly none of those carriers have required Citizens and Green Hills to engage in the "3-step" process that Halo suggests.

On a related matter, and of greater concern, is the fact that as my clients continue to investigate the nature of the traffic that Halo is terminating, it is clear that a significant amount of the traffic is not intraMTA wireless traffic. In fact, it appears that much of this traffic is either interMTA wireless traffic or landline interexchange traffic -- both of which are subject to the appropriate access charges. As an example, Citizens has found at least four (4) instances where calls from my office have been terminated to Citizens' office over the Halo interconnection with AT&T. Calls from my office are placed on a landline phone which is presubscribed to CenturyLink. Our office is located in Jefferson City, Missouri, which is in a separate LATA than Higginsville, Missouri, where Citizens has its office. Accordingly, and contrary to your earlier representations, Halo is delivering landline interexchange traffic over the Missouri IntraLATA LEC-to-LEC network. This is expressly prohibited by the Missouri Public Service Commission's Enhanced Record Exchange (ERE) Rules.

Given Halo's refusal to negotiate by conditioning the negotiation process on requirements that are neither necessary nor required, and the fact that Halo is terminating landline interLATA interexchange traffic over its local interconnection with AT&T, Citizens and Green Hills have elected to pursue the blocking of this traffic pursuant to the Missouri Public Service Commission's ERE Rules. As those rules indicate, this blocking will not prevent Halo from terminating traffic to Citizens and Green Hills, as there are other alternatives for doing so, such as the traditional interexchange network (Feature Group D) or the lease of another carrier's facilities. This blocking will only prevent Halo from using the Intrastate, IntraLATA LEC-to-LEC network to terminate its traffic to Citizens and Green Hills. Blocking is now scheduled to begin on March 15, 2011, consistent with Mr. Leo Bub's correspondence dated February 11, 2011.

Sincerely,

ENCLANDER DY BM

W.R. England, III

EXHIBIT 17 2/22/2011 LETTER FROM HALO WIRELESS



3437 W. 7<sup>th</sup> Street, Suite 127, Fort Worth, TX 76107

February 22, 2011

Leo J. Bub General Attorney AT&T Missouri One AT&T Center, Room 3518 St. Louis, Missouri 63101

CM-RRR No: <u>7002-0460-0002-0239-1789</u> Via Email: leo.bub@att.com Via FAX: 314.247.0014

W.R. England II Brydon, Swearengen & England 312 East Capitol Ave P.O. Box 456 Jefferson City, Missouri 65102-0456

CM-RRR No.: <u>7002-0460-0002-0239-1772</u> Via Email: trip@brydonlaw.com Via FAX: 573.634.7431

RE: Re: Blocking Request from Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, and Green Hills Telecommunications Services

Dear Mssrs. Bub and England:

Halo Wireless, Inc. ("Halo") has been favored with correspondence from Mr. England and now Mr. Bub threatening to "block" passage of traffic that Halo Wireless has delivered to AT&T in Missouri that AT&T then transited to Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation and Green Hills Telecommunications Services. This is Halo's response.

Halo is a CMRS provider that is operating pursuant to federal authority. Contrary to the assertions in the requests Halo has not failed to respond to a request to negotiate with either Citizens entity or Green Hills. We have been exchanging correspondence with Mr. England over various requests he has made on behalf of several carriers. Each time Halo has specifically said it was willing to negotiate with his clients under § 251(a). Halo has also specifically indicated several times that if and when Mr. England's ILEC clients send a proper and compliant notice to Halo under FCC Rule 20.11(e) we will negotiate with any such ILEC clients to implement their § 251(b) and (c) duties. Halo has advised Mr. England of each defect on several occasions. Under the rule an ILEC must (1) request "interconnection"; (2) invoke the negotiation and arbitration procedures in § 252; and (3) if the ILEC desires to have the right to seek arbitration at the state commission the ILEC must request the CMRS provider to submit to state commission arbitration. While Mr. England has minimally accomplished (2) he has wholly failed with regard to (1) and (3). If Halo ever receives a compliant request then we will engage in negotiations to implement the ILECs' § 252(b) and (c) duties. Halo cannot be criticized for insisting that the law be followed, particularly with regard to procedural requirements that when met lead to substantive consequences. AT&T cannot lawful block any traffic under this circumstance.

If and to the extent Mr. England represents that Halo has refused to negotiate under § 252 that is flatly incorrect. The apparent problem is that while Halo has consistently said it would negotiate it has properly chosen to not accede to demands that § 252 negotiation and arbitration processes be used to implement § 251(a). Section 251(a) is not implemented through § 252 procedures. See Core Communications, Inc. v. SBC Communications, Inc., Memorandum Opinion and Order, 19 FCC Rcd 8447, ¶ 18 (2004) ("Neither the general interconnection obligation of section 251(a) nor the interconnection obligation arising under section 332 is implemented through the negotiation and arbitration scheme of section 252."); Qwest Corp., Notice of Apparent Liability for Forfeiture, 19 FCC Rcd 5169, ¶ 23 (2004) (defining the term "interconnection agreement" for purposes of section 252, as limited that term to those "agreement[s] relating to the duties outlined in sections 251(b) and (c)"); see also, e.g., Qwest Corp. v. Public Utils. Comm'n of Colo., 479 F.3d 1184, 1197 (10th Cir. 2007) ("[T]he interconnection agreements that result from arbitration necessarily include only the issues mandated by § 251(b) and (c)."). Mr. England's clients may want to use the § 252 negotiation and arbitration process to create additional open issues "without regard to the standards set forth in subsections (b) and (c) of section 251," but Halo has no obligation to agree to do that, in the same way ILECs can refuse to broaden the open issues. See CoServ, LLC v. Southwestern Bell, 350 F.3d 482, 488 (5th Cir., 2003). Any § 252 negotiations will be strictly limited to implementing the ILECs' § 251(b) and (c) duties. All the ILECs have to do is write a request that complies with the rule and we can begin the process.

Halo also observes that Green Hills Telecommunications Services, Inc. is not an ILEC, and thus is not entitled to invoke § 252 in any respect, including under FCC Rule 20.11(e). Halo will negotiate with them under § 251(a) at any time. We have so stated on more than one occasion, and we stand ready to negotiate. This carrier, however, has no right to unilaterally demand payment in the absence of a negotiated agreement under § 251(a) and until there is one it cannot reasonably claim it is being deprived of any amounts to which it is lawfully entitled.

There is an arrangement in place between Halo and each of these three carriers: the prescribed default arrangement provided by law. It is called "bill and keep" for short. Under that arrangement no compensation is paid by either carrier to the other for transport and termination, and as a consequence the terminating carrier is not "entitled to financial compensation." *See* 4 CSR 240-29.020(8). These carriers are not entitled to any relief under the Missouri PSC's "Enhanced Record Exchange Rules" pursuant to 4 CSR 240-29.130(2) for that reason alone, but there are additional other reasons the Enhanced Record Exchange Rules do not apply and cannot lawfully be applied, as I will explain below.

The Citizens request also asserts that Halo is sending "interLATA wireline traffic to Citizens and Green Hills for termination." 4 CSR 240-29.020(17B) defines "interLATA" and .020(43) defines "wireline communications." The "interLATA" definition makes no sense in the CMRS context. There is no federal rule prohibiting "interLATA" traffic when it comes to CMRS providers. There are many instances where CMRS traffic is intraMTA but also interLATA. We cannot find any Missouri rule that could plausibly be read to prohibit intraMTA interLATA traffic. If there is a state rule it is completely invalid because it would conflict with the FCC's rules. The assertion that the traffic is "wireline" is incoherent. Wireline traffic under the state rules is that which is "not CMRS." Since this is CMRS traffic it is definitionally impossible for it to be "wireline."

Even if they could lawfully apply, the Enhanced Record Exchange Rules do not apply on their face. The notices Halo has received justifies the threatened blocking on 4 CSR 240-29.130(2). This rule provides:

(2) A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver originating caller identification

While the companies that have requested blocking may be "terminating carriers" under the rules, Halo is not an "originating carrier" <u>as the rules define that phrase</u>. 4 CSR 240-29.020(29) defines an "originating carrier" as:

(29) Originating carrier means <u>the telecommunications company</u> that is responsible for originating telecommunications traffic that traverses the LEC-to-LEC network. A telecommunications company whose retail telecommunications services are resold by another telecommunications company shall be considered the originating carrier with respect to such telecommunications for the purposes of this rule. A telecommunications company performing a transiting traffic function is not an originating carrier. (emphasis added)

Halo is the source of traffic going to AT&T and presumably to the LECs involved. Halo, however, is not a "telecommunications company" under the state statute and thus it cannot be an "originating carrier" under the Enhanced Record Exchange Rules. 4 CSR 240-29.020(34) has a specific definition of "telecommunications company": "those companies as set forth by section 386.020(51),<sup>1</sup> RSMo Supp. 2004." Under the cited Missouri statutory provision:

(52) "Telecommunications company" includes telephone corporations as that term is used in the statutes of this state and every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating, controlling or managing any facilities used <u>to provide telecommunications service</u> for hire, sale or resale within this state; (emphasis added)

This definition clearly provides that an entity is a "Telecommunications company" only if it provides a "telecommunications service." The statute defines that term in subpart (54):

(54) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. <u>Telecommunications service does not include</u>:

•••

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

Halo is a CMRS provider and is operating pursuant to an FCC Radio Station Authorization that grants federal permission to offer interconnected common carrier service on a nationwide basis. Under the Missouri statute's definition, this is not a "telecommunications

<sup>&</sup>lt;sup>1</sup> The rule cites to subsection (51) but the correct reference is obviously subsection (52).

service." Halo is therefore not a "telecommunications company," and as a consequence cannot be an "originating carrier" under the Enhanced Record Exchange Rules.

Finally, the interface between Halo and AT&T is "Type 2A." Halo's CMRS network uses 4G protocols. Halo's traffic therefore cannot be said to "originate via the use of feature group C protocol." *C.f.*, 4 CSR 240-29.020(1), (13), (18). Once again, this means that Halo's traffic is simply not captured within the express terms of the Enhanced Record Exchange Rules.

The Enhanced Record Exchange Rules do not apply, and do not cover any of Halo's traffic. Even if the Enhanced Record Exchange Rules could be said to apply the prerequisite of non-payment of "compensable amounts" is not met. There are several other reasons blocking is not allowed under the Enhanced Record Exchange Rules that I need not get into here. For these reasons Halo will not be using the processes set out in 4 CSR 240-29.120(5). The rules do not apply so the recourse made available within them is inappropriate.

Halo is conducting its business pursuant to federal authority. The traffic in issue is subject to the FCC's rules and requirements for interconnection. States cannot interfere with these authorization and any attempt to restrict exercise of Halo's federal rights are preempted and not effective. This is particularly so given the extent to which there is jurisdictionally interstate traffic traversing the interconnection arrangement with AT&T and much, if not all, of the traffic going to these three carriers is jurisdictionally interstate. State rules cannot authorize the blocking of interstate traffic.

AT&T Missouri, Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, and Green Hills Telecommunications Services are also each subject to the FCC's exclusive jurisdiction for the interstate traffic involved here. The FCC has made it absolutely clear that carriers cannot block interstate traffic absent specific FCC authorization and blocking violates § 201. *See, e.g.*, Declaratory Ruling and Order, *In the Matter of Establishing Just and Reasonable Rates for Local Exchange Carriers, Call Blocking by Carriers*, WC Docket No. 07-135, DA 07-2863, ¶¶ 5-6, 22 FCC Rcd 11629 (rel. June 28, 2007) ["call blocking is an unjust and unreasonable practice under section 201(b) of the Act"]. All of the carriers involved are on notice that unless Halo is promptly advised that there will be no blocking Halo will seek relief – and, if necessary damages and request forfeitures – from the FCC, under § 206.

In similar vein, each of the above-named carriers has "214" authority. Section 214(a) of the federal act and the FCC's Part 63 rules address carriers' desire to cease the interchange of traffic with another carrier, and that is precisely what is contemplated here. The carrier seeking to cease interchanging traffic must seek advance permission from the FCC to do so. There are specific showings that must be made. *See, e.g.*, 47 C.F.R. § 63.60(b)(5), § 63.62(b) and (e), § 63.501. In this regard, the applicant must state whether any other carriers consent (§ 63.501(p)). For the record, Halo does not so consent. All of the carriers involved are on notice that Halo intends to enforce the rules prohibiting discontinuance of traffic interchange without advance permission from the FCC. We also expect that if the carriers do seek advance permission then Halo will be expressly mentioned and given specific notice. Should the carriers involved act without proper federal authority Halo will seek relief under § 206.

None of this is required, however. The carriers have sent correspondence to Halo and Halo has replied. Halo has indicated that it stands by ready, willing and able to negotiate with them under § 251(a) and/or with any ILECs under § 252 when the ILECs do what is required to invoke the option they have under FCC rule 20.11(e). Further, and more important, these carriers are not presently entitled to payment given the existing bill and keep arrangements in place and they therefore have not been denied payment for any "compensable traffic."

Halo strongly suggests that Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, and Green Hills Telecommunications Services withdraw their request to AT&T Missouri. Halo has responded to their correspondence and has offered to negotiate using the correct processes established by law. Halo further respectfully requests that AT&T Missouri recognize the inapplicability of the Missouri Enhanced Record Exchange Rules and thus that it is not "bound to follow" any directive from Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation, or Green Hills Telecommunications Services. We understand the position AT&T is in regarding this matter. AT&T is not the one that precipitated the problem, but we must insist that no blocking occur. Should any occur AT&T will have to answer to the FCC along with the other carriers.

Sincerely,

John Marks General Counsel jmarks@halowireless.com

Courtesy Copy to:

John Van Eschen Manager – Telecommunications Dept. Missouri Public Service Commission 200 Madison Street, PO Box 360 Jefferson City, MO 65102-0360 Email: john.vaneschen@psc.mo.gov EXHIBIT 18 2/22/2011 LETTER FROM HALO WIRELESS

wireless

3437 W. 7<sup>th</sup> Street, Suite 127, Fort Worth, TX 76107

February 22, 2011

Leo J. Bub General Attorney AT&T Missouri One AT&T Center, Room 3518 St. Louis, Missouri 63101

Craig S. Johnson Johnson & Sproleder, LLP 304 E. High St., Suite 200 P.O. Box 1670 Jefferson City, Missouri 65102 CM-RRR No: <u>7002-0460-0002-0239-1758</u> Via Email: leo.bub@att.com Via FAX: 314.247.0014

CM-RRR No. <u>7002-0460-0002-0239-1765</u> Via Email: <u>cj@cjslaw.com</u> Via FAX: 573.761.3587

RE: Blocking Request from Mid-Missouri Telephone Company (MMTC)

Dear Mssrs. Bub and Johnson:

Halo Wireless, Inc. ("Halo") has been favored with correspondence from Msrrs. Johnson and Bub threatening to "block" passage of traffic that Halo Wireless has delivered to AT&T in Missouri that AT&T then transited to MMTC. This is Halo's response.

Halo is a CMRS provider that is operating pursuant to federal authority. Contrary to the assertions in the request, Halo has not failed to respond to a properly lodged request to negotiate with MMTC. They have two options, and we will honor either of them. MMTC, however, must provide a proper request so that the parties can then determine the applicable regime.

Halo has at all times and still is willing to negotiate with MMTC under § 251(a). Should that be the course of action they wish to take we will meet with them and discuss the matter. If MMTC sends a proper and compliant notice to Halo under FCC Rule 20.11(e) we will negotiate with MMTC to implement their § 251(b) and (c) duties. To date, however, for whatever reason MMTC has not done either thing. The letter from Mr. Johnson to Halo dated February 14 has an attachment showing an email dated January 25. Halo has searched its records and cannot find that message. Nonetheless, we have reviewed the email and it does not comport with the federal rules, and attempts to wrongly shift MMTC's burden to Halo.

Mr. Johnson's email asserts that MMTC can impose access charges unless and until Halo secures interconnection agreements/reciprocal compensation agreements with MMTC. This is precisely backwards, and wholly ignores that there is an arrangement in place between Halo and

MMTC: the prescribed default arrangement provided by law. It is called "bill and keep" for short. Under that arrangement no compensation is paid by either carrier to the other for transport and termination, and as a consequence the terminating carrier is not "entitled to financial compensation." *See* 4 CSR 240-29.020(8). MMTC is not entitled to any relief under the Missouri PSC's "Enhanced Record Exchange Rules" pursuant to 4 CSR 240-29.130(2) for that reason alone, but there are additional other reasons the Enhanced Record Exchange Rules do not apply and cannot lawfully be applied, as I will explain below.

Further, the assertion that MMTC can bill access until Halo seeks an agreement is flatly contrary to FCC Rule 20.11. The FCC's rules provide that the arrangement between CMRS providers and ILECs is bill and keep until the ILEC properly exercises its option under subsection (e). Under the rule an ILEC must (1) request "interconnection"; (2) invoke the negotiation and arbitration procedures in § 252; and (3) if the ILEC desires to have the right to seek arbitration at the state commission the ILEC must request the CMRS provider to submit to state commission arbitration. MMTC has not done any of these things. If Halo ever receives a compliant request then we will engage in negotiations to implement MMTC's § 252(b) and (c) duties.

MMTC's request also asserts that some of the traffic involved is "interLATA wireline traffic." 4 CSR 240-29.020(17B) defines "interLATA" and .020(43) defines "wireline communications." The "interLATA" definition makes no sense in the CMRS context. There is no federal rule prohibiting "interLATA" traffic when it comes to CMRS providers. There are many instances where CMRS traffic is intraMTA but also interLATA. We cannot find any Missouri rule that could plausibly be read to prohibit intraMTA interLATA traffic. If there is a state rule it is completely invalid because it would conflict with the FCC's rules. The assertion that the traffic is "wireline" is incoherent. Wireline traffic under the state rules is that which is "not CMRS." Since this is CMRS traffic it is definitionally impossible for it to be "wireline."

MMTC's request asserts that some of the traffic was not "originated" by Halo. I will assure you that this is Halo-originated traffic.<sup>1</sup> It comes from Halo's CMRS customers. MMTC also claims that Halo is not sending correct "originating caller identification." Again, this is not correct. The information populated in the SS7 IAM CPN parameter is consistent with the spirit of the definition in 4 CSR 240-29.020(28). That definition, however, does not apply here because as I will explain below the traffic does not fit the definition of "traffic placed on the LEC-LEC network."

Even if they could lawfully apply, the Enhanced Record Exchange Rules do not apply on their face. The notices Halo has received justifies the threatened blocking on 4 CSR 240-29.130(2). This rule provides:

(2) A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver originating caller identification

While MMTC may be a "terminating carrier" under the rules, Halo is not an "originating carrier" <u>as the rules define that phrase</u>. 4 CSR 240-29.020(29) defines an "originating carrier" as:

(29) Originating carrier means <u>the telecommunications company</u> that is responsible for originating telecommunications traffic that traverses the LEC-to-

<sup>&</sup>lt;sup>1</sup> Halo, however, is not an "originating carrier" under the Missouri PSC's Enhanced Record Exchange Rules.

LEC network. A telecommunications company whose retail telecommunications services are resold by another telecommunications company shall be considered the originating carrier with respect to such telecommunications for the purposes of this rule. A telecommunications company performing a transiting traffic function is not an originating carrier. (emphasis added)

Halo is the source of traffic going to AT&T and presumably to the LECs involved. Halo, however, is not a "telecommunications company" under the state statute and thus it cannot be an "originating carrier" under the Enhanced Record Exchange Rules. 4 CSR 240-29.020(34) has a specific definition of "telecommunications company": "those companies as set forth by section 386.020(51),<sup>2</sup> RSMo Supp. 2004." Under the cited Missouri statutory provision:

(52) "Telecommunications company" includes telephone corporations as that term is used in the statutes of this state and every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating, controlling or managing any facilities used <u>to provide telecommunications service</u> for hire, sale or resale within this state; (emphasis added)

This definition clearly provides that an entity is a "Telecommunications company" only if it provides a "telecommunications service." The statute defines that term in subpart (54):

(54) "Telecommunications service", the transmission of information by wire, radio, optical cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. <u>Telecommunications service does not include</u>:

• • •

(c) The offering of radio communication services and facilities when such services and facilities are provided under a license granted by the Federal Communications Commission under the commercial mobile radio services rules and regulations;

Halo is a CMRS provider and is operating pursuant to an FCC Radio Station Authorization that grants federal permission to offer interconnected common carrier service on a nationwide basis. Under the Missouri statute's definition, this is not a "telecommunications service." Halo is therefore not a "telecommunications company," and as a consequence cannot be an "originating carrier" under the Enhanced Record Exchange Rules.

Finally, the interface between Halo and AT&T is "Type 2A." Halo's CMRS network uses 4G protocols. Halo's traffic therefore cannot be said to "originate via the use of feature group C protocol." *C.f.*, 4 CSR 240-29.020(1), (13), (18). Therefore 4 CSR 240-29.040(1) does not apply. Once again, this means that Halo's traffic is simply not captured within the express terms of the Enhanced Record Exchange Rules.

The Enhanced Record Exchange Rules do not apply, and do not cover any of Halo's traffic. Even if the Enhanced Record Exchange Rules could be said to apply the prerequisite of non-payment of "compensable amounts" is not met. There are several other reasons blocking is not allowed under the Enhanced Record Exchange Rules that I need not get into here. For these

 $<sup>^{2}</sup>$  The rule cites to subsection (51) but the correct reference is obviously subsection (52).

reasons Halo will not be using the processes set out in 4 CSR 240-29.120(5). The rules do not apply so the recourse made available within them is inappropriate.

Halo is conducting its business pursuant to federal authority. The traffic in issue is subject to the FCC's rules and requirements for interconnection. States cannot interfere with these authorization and any attempt to restrict exercise of Halo's federal rights are preempted and not effective. This is particularly so given the extent to which there is jurisdictionally interstate traffic traversing the interconnection arrangement with AT&T and much, if not all, of the traffic going to these three carriers is jurisdictionally interstate. State rules cannot authorize the blocking of interstate traffic. Nor can state rules impose obligations that go beyond those imposed by the FCC with regard to signaling or negotiations, including the processes or who has the burden.

AT&T Missouri, and MMTC are each subject to the FCC's exclusive jurisdiction for the interstate traffic involved here. The FCC has made it absolutely clear that carriers cannot block interstate traffic absent specific FCC authorization and blocking violates § 201. See, e.g., Declaratory Ruling and Order, In the Matter of Establishing Just and Reasonable Rates for Local Exchange Carriers, Call Blocking by Carriers, WC Docket No. 07-135, DA 07-2863, ¶¶ 5-6, 22 FCC Rcd 11629 (rel. June 28, 2007) ["call blocking is an unjust and unreasonable practice under section 201(b) of the Act"]. Each of you are on notice that unless Halo is promptly advised that there will be no blocking Halo will seek relief – and, if necessary damages and request forfeitures – from the FCC, under § 206.

In similar vein, AT&T Missouri and MMTC each have "214" authority. Section 214(a) of the federal act and the FCC's Part 63 rules address carriers' desire to cease the interchange of traffic with another carrier, and that is precisely what is contemplated here. The carrier seeking to cease interchanging traffic must seek advance permission from the FCC to do so. There are specific showings that must be made. *See, e.g.*, 47 C.F.R. § 63.60(b)(5), § 63.62(b) and (e), § 63.501. In this regard, the applicant must state whether any other carriers consent (§ 63.501(p)). For the record, Halo does not so consent. Each of you are on notice that Halo intends to enforce the rules prohibiting discontinuance of traffic interchange without advance permission from the FCC. We also expect that if either of you do seek advance permission then Halo will be expressly mentioned and given specific notice. Should the carriers involved act without proper federal authority Halo will seek relief under § 206.

None of this is required, however. All MMTC has to do is sent a proper notice to Halo. Halo stands by ready, willing and able to negotiate with MMTC under § 251(a) and/or § 252 if any when MMTC does what is required to invoke the option MMTC has under FCC rule 20.11(e). Further, and more important, MMTC is not presently entitled to payment given the existing bill and keep arrangements in place and therefore has not been denied payment for any "compensable traffic."

Halo strongly suggests that MMTC withdraw the request to AT&T Missouri. Halo will negotiate using the correct processes established by law as soon as it is requested to do so. There simply has not been a request to date. Halo further respectfully requests that AT&T Missouri recognize the inapplicability of the Missouri Enhanced Record Exchange Rules and thus that it is not "bound to follow" any directive from MMTC. We understand the position AT&T is in regarding this matter. AT&T is not the one that precipitated the problem, but we must insist that no blocking occur. Should any occur AT&T will have to answer to the FCC along with MMTC.

Sincerely,

1729

John Marks General Counsel jmarks@halowireless.com

Courtesy Copy to:

John Van Eschen Manager – Telecommunications Dept. Missouri Public Service Commission 200 Madison Street, PO Box 360 Jefferson City, MO 65102-0360 Email: john.vaneschen@psc.mo.gov EXHIBIT 19 2/23/2011 EMAILS BETWEEN CRAIG S. JOHNSON AND HALO WIRELESS From: John Marks [mailto:jmarks@halowireless.com]
Sent: Wednesday, February 23, 2011 5:42 PM
To: 'Craig Johnson'
Subject: RE: Mid Missouri Telephone Company blocking request

Craig,

Scott McCollough is Halo's outside counsel.

2pm will work for us. Can you set up a bridge number?

Please do send copies of the agreements you mention and, if you have one, your clients' negotiation template as a word document.

We will be prepared to have an open and frank exchange of thoughts regarding 251/252 related issues, your blocking efforts, as well as anything else that may be brought up for discussion. We are ready to have substantive discussions on any and all topics. In other words, we are willing to engage in discussions regarding potential terms for interconnection and compensation and will not insist that the procedural/legal issues be resolved before such discussions occur.

I trust that you will understand that we will, of course, do so only after it is clear that we do not intend to waive, and are not thereby waiving, any and all rights we have under the Act and FCC rules. This includes but is not limited to our legal position regarding the steps that must be taken to actually invoke 252 negotiation and arbitration procedures and the consequences that flow from an ILEC's invocation and use of FCC Rule 20.11(e).

#### John

From: Craig Johnson [mailto:cj@cjaslaw.com]
Sent: Wednesday, February 23, 2011 3:16 PM
To: John Marks
Subject: RE: Mid Missouri Telephone Company blocking request

#### John:

Thanks, would be happy to talk tomorrow. Not sure I will be in a position to have fully considered everything you have said in your response to MMTC's blocking request, but I see no harm in discussing this.

Seems to me the most efficient solution would be for me to provide an existing agreement for you to consider adopting/modifying. After several traffic terminations, there was a lengthy negotiation/arbitration/appeal of one with T-Mobile you may want to review. I believe after that there was a different one approved with Verizon. I think there would have to be some traffic studies done in order to develop traffic factors due to lack of call detail ATT provides on the billing records. If you want me to provide copies of the T-Mobile or Verizon agreements, or both, let me know.

I am available the whole afternoon tomorrow. I can get a bridge number if you like. Who is your outside counsel?

Craig S. Johnson Johnson & Sporleder, LLP 304 E High St. Suite 200 P.O. Box 1670 Jefferson City, MO 65102 (573) 659-8734 (573) 761-3587 FAX cj@cjaslaw.com

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From: John Marks [mailto:jmarks@halowireless.com]
Sent: Wednesday, February 23, 2011 12:08 PM
To: 'Craig Johnson'
Subject: RE: Mid Missouri Telephone Company blocking request

Mr. Johnson,

My apologies for this. I can resend if you like.

Regarding your email inquiry, I'm sorry for the lack of response, but for some reason I did not receive it, so the first time I saw your email was as an attachment to your blocking letter.

If you have some availability tomorrow why don't we set up a conference call to discuss everything. I'm available anytime after 1:30. We have retained outside counsel to help us work through any issues we might have. He is available after 1:30 as well. If you are not available then, let me have some alternative dates and times.

John Marks

From: Craig Johnson [mailto:cj@cjaslaw.com]
Sent: Wednesday, February 23, 2011 10:59 AM
To: John Marks
Cc: Leo Bub; John Van Eschen; Bill Voight
Subject: Mid Missouri Telephone Company blocking request

Mr. Marks:

Leo Bub forwarded your letter of Feb 22, copy attached. I also obtained it by fax yesterday.

You have my email address wrong. Apparently you omitted an "a". Please correct it to: cj@cjaslaw.com

I will review your letter and get back to you.

Why didn't you respond to my Jan 25 email to you?

Craig S. Johnson Johnson & Sporleder, LLP 304 E High St. Suite 200 P.O. Box 1670 Jefferson City, MO 65102 (573) 659-8734 (573) 761-3587 FAX cj@cjaslaw.com

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EXHIBIT 20 2/23/2011 LETTER FROM HALO WIRELESS



3437 W. 7<sup>th</sup> Street, Suite 127, Fort Worth, TX 76107

February 23, 2011

W.R. England II Brydon, Swearengen & England 312 East Capitol Ave P.O. Box 456 Jefferson City, Missouri 65102-0456

RE: Your letter dated February 17, 2011 and styled "Request for Interconnection & Compensation Arrangements"

Dear Mr. England:

Halo acknowledges receipt of correspondence from you on behalf of a host of entities that claim to be LECs dated December 30, 2010, January 26, 2011, January 27, 2010, and February 17, 2011. Your letters contain a series of assertions that I would like to address individually. The first relates to our willingness to negotiate interconnection arrangements in good faith.

You continue to misrepresent our responses and our willingness to negotiate. I have advised you on several occasions that Halo stands ready, willing and able to negotiate with any and all carriers under the Act, and will gladly work with your clients to obtain a written agreement under the Act, depending on the status of the carrier and the process that is invoked. You clients have two options.

§ 251(a) option: Halo will negotiate with any of your LEC clients under § 251(a). Nothing special is required for this, other than for you to advise that is the option your clients choose to exercise. However, § 251(a) negotiations will not use the negotiation and arbitration procedures in § 252 because that is not how § 251(a) is implemented.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> See Core Communications, Inc. v. SBC Communications, Inc., Memorandum Opinion and Order, 19 FCC Rcd 8447, ¶ 18 (2004) ("Neither the general interconnection obligation of section 251(a) nor the interconnection obligation arising under section 332 is implemented through the negotiation and arbitration scheme of section 252."); *Qwest Corp., Notice of Apparent Liability for Forfeiture*, 19 FCC Rcd 5169, ¶ 23 (2004) (defining the term "interconnection agreement" for purposes of section 252, as limited that term to those "agreement[s] relating to the duties outlined in sections 251(b) and (c)"); see also, e.g., Qwest Corp. v. Public Utils. Comm'n of Colo., 479 F.3d

Or,

- § 252 option Halo will negotiate under § 252 when it applies. To make it apply your ILEC<sup>2</sup> clients must properly invoke FCC Rule 20.11(e). Your letters have not properly invoked FCC Rule 20.11(e), and contain material defects.
- § 252 option Proper invocation of the § 252 option. The option given to ILECs under FCC Rule 20.11(e) is there to be used. But the ILEC must properly and completely do what the rule says must be done. Again, as I've said before, there are three separate and individually required parts:
  - Part 1: The ILEC must "request interconnection." To date none of your letters have ever come close to "requesting interconnection." Your letters say your clients want "an agreement" and seek "negotiations" but none expressly request "interconnection." This is mandatory and Halo will not waive this point.
  - Part 2: The ILEC must invoke "the negotiation and arbitration procedures contained in section 252 of the Act." I agree that your letters have *tried* to do this, and your latest letter probably suffices. But your recent relative success on the second prong does not relieve you of having to meet the first. Section 20.11 could not be clearer. It says that if BOTH steps are taken the CMRS provider "*receiving a request for interconnection* must negotiate in good faith." We will continue to stand patiently by until your clients send us a "request for interconnection." This is not just semantic incantations. As a lawyer, I am sure you understand the need to set out and meet each element of a cause of action.
  - Part 3: The ILEC must expressly request the CMRS provider to "submit to arbitration by the state commission." Your letters have never done that, even though I have now advised you on more than one occasion that this is required and still lacking. The state commission will not have jurisdiction over this matter or Halo unless and until Halo submits, and Halo is not required to submit until your ILEC clients make the request. The state commission is not the one that must or even can make this request and no state commission can trivially dispose of this jurisdictional prerequisite. Until each of your ILEC clients makes the formal request Halo has no duty to submit and we will not. If and when your clients request that Halo submit to the state commission's jurisdiction, then we will.
- § 252 option Your clients are the ones seeking to change the *status quo*. If they want to receive the benefits of the FCC rule they too have to follow the rule. We have

<sup>1184, 1197 (10</sup>th Cir. 2007) ("[T]he interconnection agreements that result from arbitration necessarily include only the issues mandated by § 251(b) and (c).").

<sup>&</sup>lt;sup>2</sup> Only ILECs may benefit from FCC Rule 20.11(e).Some of the entities listed in your February 17 letter, however, do not appear to be ILECs. For example, the letter lists "Fidelity Communications Services I," "Fidelity Communications Services II" and "Mark Twain Communications Company." We reviewed the FCC's web site at <u>http://fjallfoss.fcc.gov/cgb/form499/499a.cfm</u>, and those three hold out as "CAP/LEC" rather than "ILEC." If and when you submit any correspondence that attempts to invoke Rule 20.11(e) then please provide some evidence tending to show that every client of yours on whose behalf the notice is sent is an ILEC.

gone out of our way to advise you of the defects in your prior attempts, but we will not relieve you of your burden to comply with the rule's requirements. If and when any of your ILEC clients properly invoke FCC Rule 20.11(e), then we will comply with the rule and use the § 252 negotiations and arbitration process.

§ 252 option Any § 252 negotiations will be strictly limited to implementing your ILEC clients' § 251(b) and (c) duties, and only these duties. Halo has not agreed, and will not agree, to address anything other than your ILEC clients' § 251(b) and (c) duties if § 252 procedures are ever used. Despite your continued efforts to create additional open issues "without regard to the standards set forth in subsections (b) and (c) of section 251" we do not agree to broaden the open issues. Halo has the same right as the ILECs<sup>3</sup> to refuse to broaden the issues beyond § 251(b) and (c).<sup>2</sup>

There are a series of other claims in your February 17 letter that I would like to correct. You state that "Halo is sending traffic to AT&T tandems in Missouri over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by these LECs." You further claim that "Halo has no agreement with any of these LECs to terminate this traffic." Finally, you characterize Halo's traffic in a way we do not agree is proper when you claim your clients seek agreements "to establish appropriate interconnection agreements (including reciprocal compensation) for the local (i.e., intraMTA) wireless traffic that Halo Wireless is terminating to them."

With regard to your first contention, Halo is <u>not</u> sending traffic to AT&T tandems in Missouri "over the LEC-to-LEC (or Feature Group C) network." Halo is delivering traffic to AT&T via Type 2 interfaces. These interfaces are not "Feature Group C" interfaces and the exchange between Halo and AT&T are not occurring over any "LEC-to-LEC" or "Feature Group C" network." We have no knowledge or control over what AT&T does with the traffic after we hand it off to them. But as between Halo and AT&T, none of this is "LEC-to-LEC" or "Feature Group C."

Second, while it is true there is no written interconnection agreement in place, there is an arrangement: bill and keep. As long as bill and keep is in place, then no compensation is due from either party. Thus, your clients cannot claim they are not being paid amounts they are properly owed, for nothing is owed. If your clients want to change the *status quo*, then they must do what the law requires them to do to change the *status quo*. I have now told you at least three times how to do that.

Third, I reject use of the word "local" to describe any of the telecommunications at issue. "Local" is not a statutorily defined term and has nothing to do with LEC-CMRS traffic. The traffic Halo originates with your clients is all IntraMTA.

Fourth, Halo is not "terminating" traffic to any of your clients. Halo is originating traffic. Your clients transport and terminate that traffic.

Mr. England, we stand ready, willing and able to begin good faith negotiations with your clients once they have properly followed FCC rules and process. Please advise me when you are available for § 251(a) negotiations and we will line up Halo counsel and business representatives accordingly. If your ILEC clients want to try again to require the use of § 252 negotiation and

<sup>&</sup>lt;sup>3</sup> See CoServ, LLC v. Southwestern Bell, 350 F.3d 482, 488 (5<sup>th</sup> Cir., 2003).

arbitration procedures they are free to do so and we will comply with FCC Rule 20.11(e) once it has been properly invoked.

Sincerely,

Dral-

John Marks General Counsel jmarks@halowireless.com

1

EXHIBIT 21 2/25/2011 LETTER FROM W.R. ENGLAND, III

# LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

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COUNSEL GREGORY C. MITCHELL

February 25, 2011

# VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Request for Interconnection & Compensation Arrangements

Dear Mr. Marks:

Previously we have sent you requests on behalf of the following Local Exchange Companies (LECs) to begin negotiations with Halo Wireless (Halo) toward an Interconnection Agreement pursuant to Section 251 of the Telecommunications Act of 1996:

Citizens Telephone Company Green Hills Telephone Corporation Green Hills Telecommunication Services

Goodman Telephone Company Granby Telephone Company Grand River Mutual Telephone Corporation Lathrop Telephone Company McDonald County Telephone Company Oregon Farmers Mutual Telephone Company Ozark Telephone Company Seneca Telephone Company

Rock Port Telephone Company

January 26, 2011

December 30, 2010

Letter Sent

January 27, 2011

Page 2 of 3 February 25, 2011

February 17, 2011

Ellington Telephone Company Farber Telephone Company Fidelity Telephone Company Fidelity Communications Services I Fidelity Communications Services II Holway Telephone Company Iamo Telephone Corporation Kingdom Telephone Company KLM Telephone Company Le-Ru Telephone Company Mark Twain Rural Telephone Company Mark Twain Communications Company New Florence Telephone Company Steelville Telephone Exchange, Inc.

In addition to the above, several other LECs that we represent have recently received billing records from their tandem provider, AT&T Missouri, indicating that Halo is sending traffic to the AT&T tandems in Missouri over the LEC-to-LEC (or Feature Group C) network for ultimate termination to customers served by these LECs. Currently, Halo has no agreement with any of these LECs to terminate this traffic.

Accordingly, the following LECs request that Halo begin negotiations, pursuant to Section 251 of the Telecommunications Act, to establish appropriate interconnection agreements (including reciprocal compensation) for the local (i.e., intraMTA) wireless traffic that Halo Wireless is terminating to them.

BPS Telephone Company Craw-Kan Telephone Cooperative, Inc. Miller Telephone Company New London Telephone Company Orchard Farm Telephone Company Peace Valley Telephone Company, Inc. Stoutland Telephone Company

In response to our earlier correspondence, you have questioned the procedures that these LECs are pursuing to request negotiations. Accordingly, let me make it clear that these LECs seek to initiate negotiations toward an interconnection agreement pursuant to Sections 251 and 252, as envisioned by the FCC in its 2005 T-Mobile decision. Therefore, if voluntary negotiations are unsuccessful, these LECs are willing to submit to arbitration before the Missouri Public Service Commission.

Page 3 of 3 February 25, 2011

Accordingly, please acknowledge receipt of this letter and indicate Halo Wireless' willingness to begin negotiations towards an interconnection agreement for the exchange of, and compensation for, local (intraMTA) wireless traffic. I look forward to hearing from you.

Sincerely,

WRENGUNDIPDYBM

W.R. England, III

WRE/da

EXHIBIT 22 2/25/2011 EMAIL FROM HALO WIRELESS TO W.R. ENGLAND, III From: John Marks [mailto:jmarks@halowireless.com]
Sent: Friday, February 25, 2011 7:50 PM
To: 'Trip England'
Subject: RE: Halo & Various

Mr. England,

It looks as though we are going back and forth making the same points to each other. It may be that a conference call will help us try to close the gap between your clients and Halo, come out with a better understanding of our relative positions. If you are interested in this let me have some alternative dates and times when you will be available so I can circulate them to those who will be on the call with us, and we will do our best to accommodate your schedule. On the call will be our business contact, Robert Johnson, and our outside counsel, Scott McCollough. Would appreciate knowing who, if anyone, will be joining from your side. If you can provide a bridge number and code that be helpful as well.

We will be prepared to have an open and frank exchange of thoughts regarding 251/252 related issues and your blocking efforts. We will be ready to have substantive discussions on any and all topics, including potential terms for interconnection and compensation and will not insist that the procedural/legal issues be resolved before such discussions occur.

We will also be willing to include the possibility of negotiations involving all your clients once we have a better idea as to their respective situations, and whether we collectively think it would be practical for us to do that.

I trust you will understand that we will, of course, do so only after it is clear that we do not intend to waive, and are not thereby waiving, any and all rights we have under the Act and FCC rules. This includes but is not limited to our legal position regarding the steps that must be taken to actually invoke 252 negotiation and arbitration procedures and the consequences that flow from an ILEC's invocation and use of FCC Rule 20.11(e).

I look forward to hearing from you.

John Marks.

-----Original Message-----From: Trip England [mailto:trip@brydonlaw.com] Sent: Friday, February 25, 2011 2:20 PM To: John Marks Subject: Request for Interconnection & Compensation Arrangements See attached letter. Original copy will be sent via Federal Express. Thank you,

TRIP ENGLAND

EXHIBIT 23 2/25/2011, 3/2/2011 EMAILS BETWEEN HALO WIRELESS AND CRAIG S. JOHNSON From: John Marks [mailto:jmarks@halowireless.com]
Sent: Wednesday, March 02, 2011 7:38 PM
To: 'Craig Johnson'
Subject: RE: Mid-Missouri Tel and Halo Wireless

Craig,

Halo customers can connect to Halo at a base station or over the Internet. However, neither scenario you describe in your questions can happen with Halo's routing. The only calls Halo routes to your clients over the interconnection will be calls Halo received from a Halo Customer on a base station in the same MTA as the interconnection.

Halo does not have any automated dialers in its network. As a common carrier, we do not police our customers' use of the service in terms of what they do with it. We do not know if any of our customers might be using the service to support an automatic dialer, nor do we intend to ask.

Halo does not presently aggregate or arrange for termination of any traffic originated by any other telecommunications carriers. If your clients' end users called a Halo number associated with a rate center in the same MTA your clients probably require that it be dialed 1+ that means the call likely goes to an IXC. When the call hits our network from the IXC the IXC is our access customer, at least for now. Therefore Halo does have IXC customers in that sense.

John.

From: Craig Johnson [mailto:cj@cjaslaw.com]
Sent: Wednesday, March 02, 2011 1:44 PM
To: John Marks
Subject: FW: Mid-Missouri Tel and Halo Wireless

John:

I have heard nothing from you in response to my earlier email below. My call with my clients is tomorrow AM, and it would certainly be helpful to have the information I requested. I believe I have provided HW with any information you requested, and would appreciate reciprocity in this regard.

Craig S. Johnson Johnson & Sporleder, LLP 304 E High St. Suite 200 P.O. Box 1670 Jefferson City, MO 65102 (573) 659-8734 (573) 761-3587 FAX cj@cjaslaw.com

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From: Craig Johnson [mailto:cj@cjaslaw.com] Sent: Friday, February 25, 2011 4:26 PM To: jmarks@halowireless.com Subject: Mid-Missouri Tel and Halo Wireless

John:

Thanks again for yesterday's conference call. Halo Wireless' operation is different from the wireless carriers we have negotiated interconnection agreements with in the past.

I have a conference call with clients set up for March 3. I was wondering if you could help me with some questions. If so it will hopefully provide better information for us to utilize in deciding what our posture will be.

The first questions have to do with Halo Wireless' provisioning of your CMRS customers' traffic. If HW has a CMRS customer in Ft Worth, and the customer while in Fort Worth calls a Mid-Missouri customer in Pilot Grove Missouri, would your customer's call originate on a wireless tower in Ft Worth, then be routed over the internet to your transmitter/tower in Junction City, KS, for beaming/broadcast to AT&T in Kansas City, where the call would be placed on the intraLATA toll network for termination to Mid-Missouri's customer? Or would that call originate on the internet, then be routed over the internet to the transmitter/tower in Junction City, with no tower in Ft Worth being utilized? Or are either situation possible, in that your customers can originate calls over the radio-waves, or directly to the internet without going over the radio-waves? If any of my routing assumptions are incorrect, please let me know.

Second, Mid-Missouri switch records seem to indicate that some of the HW traffic is being dialed by an automated dialing device. If that is the case, can you explain how that is utilized in your network provisioning?

Third, Mid-Missouri switch records seem to indicate some of the HW traffic is landline originated traffic. Is HW aggregating and terminating any traffic originated by carriers other than HW? If so is it for landlineoriginated traffic, wireless-originated traffic, both? If you could describe the provisioning of any traffic terminated for other carriers, that would be appreciated.

Thanks for your consideration.

Craig S. Johnson Johnson & Sporleder, LLP 304 E High St. Suite 200 P.O. Box 1670 Jefferson City, MO 65102 (573) 659-8734 (573) 761-3587 FAX cj@cjaslaw.com

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EXHIBIT 24 3/7/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 7, 2011

### Via email

John Marks, Counsel Halo Wireless Inc 3437 W. 7<sup>th</sup> St Box 127 Fort Worth, TX 76107

Re: Notice of Request for Blocking of Traffic of Halo Wireless Inc. terminating to Mid-Missouri Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Marks:

Thank you for the conference call of February 24. Thank you also for your March 2 email response to my email of February 25. This letter is in furtherance of those discussions, and in response to your letter of February 22 to AT&T Missouri and myself on Mid-Missouri's behalf.

Mid-Missouri has decided to continue with its blocking request of February 14, 2011. Halo's actions indicate Mid-Missouri's interests will best be protected by blocking Halo Wireless (Halo) traffic. If Halo in writing requests interconnection agreement negotiations with Mid-Missouri before March 14, Mid-Missouri will drop its blocking request.

I disagree with the positions Halo has taken in these regards, and will set forth my disagreement here. If I don't respond to every detail of your correspondence that does not indicate agreement.

Halo adopted an interconnection agreement with AT&TMo in June of 2010, as Halo was required to do in order to exchange reciprocal compensation traffic with Missouri's largest ILEC. Although Mid-Missouri is not as large as AT&T, Halo was obligated to do the same in order to exchange reciprocal traffic with Mid-Missouri. I note that § 3.1.3 of your agreement with AT&TMo obligated Halo to enter into an agreement with Mid-Missouri before sending traffic to Mid-Missouri. If Halo had complied with its own contractual obligations, the current disputes would not have arisen.

Instead of complying with the law, and with an interconnection agreement approved by the State of Missouri, Halo sent Mid-Missouri terminating traffic without any notice or opportunity to develop the reciprocal compensation and exchange access arrangements required for these types of traffic. Mid-Missouri billed the correct exchange access rates for this traffic, the only compensation mechanism available to Mid-Missouri as Halo failed to obtain an agreement with Mid-Missouri as required by law. In response to Mid-Missouri's bill, Halo claims Mid-Missouri can't assess *any* charges to Halo because there is no agreement. Then Halo creates a backup argument that there is a "defacto" bill and keep agreement. It is apparent to me that Halo is interested in free use of Mid-

304 E. High St., Suite 200 • P.O. Box 1670 • Jefferson City, Missouri 65102 573-659-8734•573-761-3587 FAX Missouri facilities while it attempts to avoid or delay its obligation to compensate.

Missouri's Enhanced Record Exchange Rule was designed to protect terminating carriers such as Mid-Missouri from exactly this type of situation. By placing traffic on the LEC-to-LEC network, Halo has brought itself within the ambit of this rule, and within the jurisdiction of the State of Missouri via the Missouri Public Service Commission, and therefore is subject to having its traffic blocked. Missouri is entitled to enforce this Rule. 47 USC 251(d)(3). 47 USC 253.

Although FCC rules do contemplate "bill and keep" reciprocal compensation arrangements, there are three prerequisites that are not present here: (1) Mid-Missouri has not agreed to it; (2) there is no balance of traffic; and (3) the MoPSC has not approved it for use by Halo and Mid-Missouri.

Halo claims that Mid-Missouri's only recourse is to request Halo to negotiate. But in the same breath Halo attempts to impose artificial and dilatory constructs as to what Mid-Missouri must say in the interconnection request Halo invites Mid-Missouri to make. To be clear, Mid-Missouri has not requested interconnection agreement negotiations with Halo. Mid-Missouri has informed Halo that it can avoid the blocking request by requesting negotiations with Mid-Missouri to adopt or establish an interconnection agreement.

For the record, Mid-Missouri disagrees with Halo's constructs as to why Mid-Missouri must initiate the negotiation process, and what Mid-Missouri must say if Mid-Missouri chose to initiate them. Halo is the party guilty of establishing an indirect interconnection without Mid-Missouri's agreement, and sending traffic without agreement. There is no need for Mid-Missouri to specify the type of interconnection to address in the negotiations. Mid-Missouri is not required to specify which subsection of 47 USC 251 or 252 its request is made pursuant to. The FCC rule in 47 CFR 20.11(e) and the *T-Mobile* decision make it clear that an interconnection request triggers both sections 251 and 252. Mid-Missouri is not required to request that Halo "submit" to MoPSC arbitration jurisdiction now. The rule and *T-Mobile* decision make it clear that the term "submit" refers to a request for arbitration made during the arbitration window between the 135<sup>th</sup> and 160<sup>th</sup> days after an interconnection negotiation request.

Sincerely, aig S. Johnson

cc: Todd Wessing Bonnie Gerke Sherre Campbell John Van Eschen, Mgr. MoPSC Telecommunications Dept. Bill Voight Leo Bub EXHIBIT 25 3/8/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 8, 2011

# Via email and certified mail

Leo Bub Counsel AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

Re: Request for Blocking of Traffic of Halo Wireless Inc. terminating to Northeast Missouri Rural Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Bub:

This is a traffic blocking request made pursuant to 4 CSR 240-29.130. The terminating carrier making this request is Northeast Missouri Rural Telephone Company (Northeast). The originating carrier whose traffic Northeast is requesting ATTMo to block is that of Halo Wireless Inc., OCN 429F (HW).

Northeast billed HW on February 1, 2011. HW refused to honor the invoice by letter dated February 21, 2011, saying it had no obligation to pay. This response is similar to that which is the subject of other recent blocking requests for HW traffic. In addition to this failure to compensate Northeast, based on Northeast switch records it appears that some of the traffic is wireline originated, some is interLATA wireline traffic, and HW has not delivered correct originating caller identification information to Northeast.

Northeast requests that ATTMo block HW traffic from terminating over the LEC-to-LEC network to the following Northeast exchanges:

<u>NPA-NXX</u>	<b>Exchange</b>	<u>NPA-NXX</u>
660-945	Novinger	660-488
660-328	Omaha	660-933
660-874	Pollock	660-692
660-344	Queen City	660-766
660-866	Tobin Creek	660-883
660-355	Unionville	660-947
660-465	Winigan	660-857
	660-945 660-328 660-874 660-344 660-866 660-355	660-945         Novinger           660-328         Omaha           660-874         Pollock           660-344         Queen City           660-866         Tobin Creek           660-355         Unionville

Northeast requests that this traffic be blocked on April 11, 2011, or another date mutually agreeable to Northeast and ATTMo that is within 45 days of this request. 4 CSR 240-29.130(6).

Please let me know as soon as you can.

Sincerely, Craig S. Johnson

cc: Gary Godfrey Janice Williams John Van Eschen Bill Voight Todd Wallace, CTO, Halo Wireless John Marks, General Counsel, Halo Wireless EXHIBIT 26 3/8/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 8, 2011

# Via email and certified mail

Todd Wallace, CTO Halo Wireless Inc 3437 W. 7<sup>th</sup> St Box 127 Fort Worth, TX 76107

Re: Notice of Request for Blocking of Traffic of Halo Wireless Inc. terminating to Northeast Missouri Rural Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Wallace:

Please be notified that Northeast Missouri Rural Telephone Company (Northeast) has requested that AT&TMo block Halo Wireless Traffic terminating to Northeast pursuant to Missouri Public Service Commission Rule 4 CSR 240-29.130. A copy of that request is attached hereto for your reference.

Pursuant to the Commission Rule, Halo Wireless is notified of the reasons for, date of, and actions it can take to avoid, this traffic blocking.

### Reasons for Blocking Request

Halo Wireless has refused to pay compensation for the traffic ATTMo identified Halo Wireless as being the originating carrier for, stating it had no obligation to pay Northeast's invoice therefore; it appears some HW traffic transited by ATTMo to Northeast is interLATA wireline traffic; it appears some HW traffic transited by ATTMo to Northeast may not have been originated by HW; and it appears HW may not have delivered correct originating caller identification to Northeast for such traffic.

### Date Traffic is Requested to be Blocked

April 11, 2011.

# Actions Halo Wireless Can Take to Prevent Blocking

Halo Wireless can take any of the following actions to prevent implementation of this blocking request:

a. agree to enter into good faith negotiations to adopt or establish an interconnection agreement with Northeast; or

304 E. High St., Suite 200 • P.O. Box 1670 • Jefferson City, Missouri 65102 573-659-8734•573-761-3587 FAX b. placing a sufficient amount of monies into escrow for Northeast to recover its intrastate intraLATA access charges on all HW intrastate intraLATA traffic transited by ATTMo for termination to Northeast coupled with filing a formal complaint with the Missouri Public Service Commission; or

c. using alternative means of delivering the traffic in question for termination to Northeast that does not deliver the traffic to a LEC-to-LEC network originating tandem carrier, such as contracting with interexchange carriers for delivery of HW traffic; or

d. directly interconnecting with Northeast.

If HW chooses any of these alternatives, please notify me, ATTMo, and John Van Eschen no later than April 4, 2011 to avoid effectuation of traffic blocking.

If any questions or concerns arise regarding this notice, please direct them to me.

Sincerel raig S. Johnson

cc: Gary Godfrey Janice Williams John Van Eschen, Mgr. MoPSC Telecommunications Dept. Bill Voight John Marks



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 8, 2011

# Via email and certified mail

Leo Bub Counsel AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

Re: Request for Blocking of Traffic of Halo Wireless Inc. terminating to Northeast Missouri Rural Telephone Company, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Bub:

This is a traffic blocking request made pursuant to 4 CSR 240-29.130. The terminating carrier making this request is Northeast Missouri Rural Telephone Company (Northeast). The originating carrier whose traffic Northeast is requesting ATTMo to block is that of Halo Wireless Inc., OCN 429F (HW).

Northeast billed HW on February 1, 2011. HW refused to honor the invoice by letter dated February 21, 2011, saying it had no obligation to pay. This response is similar to that which is the subject of other recent blocking requests for HW traffic. In addition to this failure to compensate Northeast, based on Northeast switch records it appears that some of the traffic is wireline originated, some is interLATA wireline traffic, and HW has not delivered correct originating caller identification information to Northeast.

Northeast requests that ATTMo block HW traffic from terminating over the LEC-to-LEC network to the following Northeast exchanges:

<b>Exchange</b>	<u>NPA-NXX</u>	Exchange	<u>NPA-NXX</u>
Arbela	660-945	Novinger	660-488
Brock	660-328	Omaha	660-933
Green City	660-874	Pollock	660-692
Lemons	660-344	Queen City	660-766
Luray	660-866	Tobin Creek	660-883
Martinstown	660-355	Unionville	660-947
Memphis	660-465	Winigan	660-857

Northeast requests that this traffic be blocked on April 11, 2011, or another date mutually agreeable to Northeast and ATTMo that is within 45 days of this request. 4 CSR 240-29.130(6).

Please let me know as soon as you can.

Sincerely, Craig S. Johnson

cc: Gary Godfrey Janice Williams John Van Eschen Bill Voight Todd Wallace, CTO, Halo Wireless John Marks, General Counsel, Halo Wireless EXHIBIT 27 3/9/2011 LETTER FROM W.R. ENGLAND, III

#### LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

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COUNSEL GREGORY C. MITCHELL

March 9, 2011

#### VIA EMAIL & U.S. MAIL

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Blocking of Traffic

Dear Mr. Marks:

Thanks for the opportunity to talk with you and the other representatives of Halo Wireless (Halo) last Friday. While the call was helpful in better understanding Halo's position regarding a number of issues, I continue to disagree with Halo's position as it relates to: 1) the procedure for initiating negotiation and, if necessary, arbitration pursuant to Sections 251 and 252 of the Telecommunications Act (Act); and 2) the nature of the traffic Halo is sending to Citizens Telephone Company (Citizens), Green Hills Telephone Corporation, and Green Hills Telecommunications Services (collectively Green Hills).

As I understand it, Halo's position is that in order for Citizens and Green Hills to properly invoke their right to negotiation and, if necessary, arbitration under the Act, they must specifically request interconnection with Halo. As I indicated on the call, I do not agree with that position. I believe Halo's position is a strained reading of the FCC rules and one that is clearly contrary to the FCC's decision in the 2005 T-Mobile case.

As I have previously stated, Citizens and Green Hills do not seek interconnection with Halo, as an interconnection already exists, albeit indirect. This existing interconnection arrangement was unilaterally established by Halo with AT&T, without notice to Citizens and Green Hills. In fact, since our call, we have reviewed Halo's Interconnection Agreement with AT&T Missouri (AT&T) and found that Halo was obligated to establish agreements with third party carriers, such as Citizens and Green Hills, prior to transiting its traffic through AT&T to them (Section 3.1.3 of the Interconnection Agreement). Under the circumstances, it is Halo that should have requested interconnection with Citizens and Green Hills. Since Halo has not made

such a request, but nevertheless began sending traffic to Citizens and Green Hills for termination, all Citizens and Green Hills seek is an agreement establishing the appropriate rates, terms and conditions for this interconnection and the exchange of local traffic. If such an agreement cannot be negotiated, then Citizens and Green Hills believe they have the right to pursue arbitration before the Missouri Public Service Commission in accordance with the provisions and timeframes in Section 252 of the Act. In summary, Citizens and Green Hills have made an appropriate request to begin the Section 251/252 negotiation and arbitration process contemplated by the Act. Halo's insistence on a specific request to interconnect is, in my opinion, an unnecessary and unreasonable demand tantamount to a refusal to negotiate in good faith.

On another, and perhaps more important issue, I continue to disagree with Halo's characterization of its traffic as "intraMTA wireless" traffic. As I understand Halo's position, all of its traffic is intraMTA because it "originates" at a Transmitter Site (or Base Station) and terminates within the same MTA. As I've indicated in prior correspondence (as well as during our telephone conference), our review of Halo's traffic indicates that a substantial portion of this traffic is originating from end-users with telephone numbers (i.e., NPA-NXX) that are assigned to landline carriers. Much, if not all, of this traffic is interexchange traffic based on the end points of the calling and called parties. For example, several of the calls terminating from Halo to Citizens originated from our office in Jefferson City. Our office is equipped with a landline telephone system and all our long distance service is presubscribed to CenturyLink. A call from Jefferson City, Missouri to Higginsville, Missouri is an intrastate, interLATA interexchange call. I asked CenturyLink to investigate the routing of these calls and CenturyLink indicates these calls were handed off to a carrier by the name of "Transcom" for termination. Despite Halo's representations to the contrary, this traffic is not CMRS traffic (nor is it within the same MTA). The mere fact that this traffic passes through a "Base Station" on its way to termination to Citizens' office does not convert it into wireless traffic. It appears that Halo's involvement in the handling of this traffic is similar to the "IP-in-the-middle" argument that AT&T made some years ago in an effort to avoid paying access charges by attempting to convert what is a long distance or interexchange call into an information service. Similarly, Halo's attempt to involve wireless technology in the middle of calls that are otherwise interexchange calls does not convert them into wireless calls.

Since our call, Citizens and Green Hills inform me that as of mid-February of this year, in a substantial number of cases, they are no longer able to identify in the designated calling number field the actual calling party number (CPN) of Halo originated calls terminating to Citizens and Green Hills. Since mid-February, thousands of calls transported by Halo to Citizens and Green Hills for termination are now showing a CPN of (816) 912-1901 instead of the "true" CPN. Not only does this appear to be a violation of the Commission's Enhanced Record Exchange (ERE) Rules in 4 CSR 240-29.040(1) or (2), but it also appears to be a violation of the Federal "Truth in Caller ID Act" which prohibits any caller identification service to "knowingly transit misleading or inaccurate caller identification information with the intent to defraud, cause, harm or wrongfully obtain anything of value . . ."

Therefore, for all of the foregoing reasons, Citizens and Green Hills will not withdraw their request to AT&T to block Halo's traffic from terminating over the Missouri intrastate

Page 3 of 3

intraLATA LEC-to-LEC (Feature Group C) network. As indicated in earlier correspondence, Halo will still be able to terminate traffic to Citizens and Green Hills using alternative methods/interconnection such as Feature Group D interexchange access or lease of other carriers' facilities.

Sincerely, W.R. England, II

WRE/da

Cc: Leo Bub John VanEschen Citizens Telephone Company Green Hills Telephone Company EXHIBIT 28 3/14/2011 EMAIL FROM AT&T MISSOURI TO HALO WIRELESS

#### W. Scott McCollough

From:	BUB, LEO J (Legal) [lb7809@att.com]
Sent:	Monday, March 14, 2011 5:04 PM
То:	wsmc@dotlaw.biz; wsmc@smccollough.com
Cc:	jmarks@halowireless.com
Subject:	Missouri ILECs' 4 CSR 240-29.010 et seq. Blocking Demands

Scott,

I am writing to advise that to date, we have not received an order or other directive from a commission or court of competent jurisdiction instructing us to us to delay Citizens Telephone Company of Higginsville, Missouri, Green Hills Telephone Corporation and Green Hills Telecommunications Services' (the "Missouri ILECs'") blocking demand under 4 CSR When we spoke last Wednesday evening, you indicated that you 240-29.130(2) and (5). were in the process of obtaining such an order from the FCC. I indicated that we would respect such a directive and would cease the blocking, even if it was just a letter from the FCC asking us to delay the blocking. I also indicated that Halo could effect an immediate halt to the blocking by the filing of a complaint with the MoPSC (per the MoPSC's rules, blocking could not then resume until after the MoPSC's decision). In either case, I asked that I be copied on the directive to cease the blocking. But as we have not received a request or directive from the FCC (or the MoPSC or courts), we believe that we are bound to obey the Missouri ILECs' formal demand under the MoPSC's rules. The blocking is scheduled to start at noon tomorrow, March 15, 2011.

Leo J. Bub General Attorney - Missouri Area One AT&T Center 909 Chestnut Street, Room 3518 St. Louis, MO 63101 tel. (314) 235-2508 fax (314) 247-0014 Notice: This e-mail is confidential and intended only for the named recipient(s) above. DO NOT FORWARD WITHOUT MY PERMISSION. It contains information that is privileged, attorney work product or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify me at (314) 235-2508 and delete this e-mail message from your computer. Thank you. EXHIBIT 29 3/16/2011 LETTER FROM AT&T MISSOURI TO HALO WIRELESS



Leo J. Bub General Attorney AT&T Missouri One AT&T Center Room 3518 St. Louis, Missouri 63101

T: 314.235.2508 F: 314.247.0014 leo.bub@att.com

# VIA CERTIFIED U.S. MAIL NO. 70093410000077810001 & E-MAIL

March 16, 2011

Mr. John Marks General Counsel Halo Wireless, Inc. 3437 W. 7<sup>th</sup> Street, Suite 127 Fort Worth, Texas 76107

### Re: Blocking Request from Northeast Missouri Rural Telephone Company

Dear Mr. Marks:

We are writing to notify you that we have received and are required to implement demands from Northeast Missouri Rural Telephone Company ("Northeast"), which is located in Missouri, to block your company's traffic that transits Southwestern Bell Telephone Company, d/b/a AT&T Missouri's network and terminates to Northeast's exchanges.

Northeast has made this request pursuant to the Missouri Public Service Commission's Enhanced Record Exchange Rule which provides that:

A terminating carrier may request the originating tandem carrier to block, and upon such request the originating tandem carrier shall block, the originating carrier's Local Exchange Carrier-to-Local Exchange Carrier (LEC-to-LEC) traffic, if the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic, or if the originating carrier has failed to deliver the originating caller identification to the transiting and/or terminating carriers.

4 CSR 240-29.130(2). The rule further provides that following the notification required by the rule and on written request by a terminating carrier:

... the originating tandem carrier will be required to block LEC-to-LEC traffic of an originating carrier and/or traffic aggregator to the terminating carrier. Such requests shall be based on the terminating carrier's representation that the originating carrier and/or traffic aggregator has failed to fully compensate the terminating carrier for terminating compensable traffic....

Mr. John Marks March 16, 2011 Page 2

4 CSR 240-29.110(5). The Commission's rules define "LEC-to-LEC" traffic as "that traffic occurring over the LEC-to-LEC network. LEC-to-LEC traffic does not traverse through an interexchange carrier's point of presence." 4 CSR 240-29.020(19). Similar denial of service provisions are contained in AT&T's interstate switched access service tariff, FCC No. 73, Section 2.1.3(c).

Thus, unless the Missouri Commission or other authority with competent jurisdiction issues an order staying the blocking of Halo's traffic, we believe we are bound to follow Northeast's directive. We are beginning to perform the work necessary to implement this directive and will be in a position to commence the blocking on April 19, 2011.

Please call me with questions or if you need further information.

Very truly yours,

Low ML

Leo J. Bub

cc: Mr. Craig S. Johnson (Via E-Mail) Mr. John Van Eschen, Missouri Public Service Commission Telecommunications Department Manager (Via E-Mail) EXHIBIT 30 3/17/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 17, 2011

#### Via email and certified mail

Leo Bub Counsel AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

Re: Request for Blocking of Traffic of Halo Wireless Inc. terminating to Chariton Valley Telephone Corporation, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Bub:

This is a traffic blocking request made pursuant to 4 CSR 240-29.130. The terminating carrier making this request is Chariton Valley Telephone Corporation (Chariton Valley). The originating carrier whose traffic Chariton Valley is requesting ATTMo to block is that of Halo Wireless Inc., OCN 429F (HW).

Chariton Valley billed HW on February 1, 2011. HW refused to honor the invoice by letter dated March 2, 2011, saying it had no obligation to pay. This response is similar to that which is the subject of other recent blocking requests for HW traffic. In addition to this failure to compensate Chariton Valley, based on Chariton Valley switch records it appears that some of the traffic is wireline originated, some is interLATA wireline traffic, and HW has not delivered correct originating caller identification information to Chariton Valley.

Chariton Valley requests that ATTMo block HW traffic from terminating over the LEC-to-LEC network to the following Chariton Valley exchanges, except for the listed thousand blocks assigned to a competitor in the Huntsville exchange, to which calls should not be blocked pursuant to this request:

<b>Exchange</b>	<u>NPA-NXX</u>		Competitor thousand number blocks
Bynumville	660	222	
New Cambria	a 660	226	
Atlanta	660	239	a and a second a seco
Clifton Hill	660	261	

Huntsville	660	277	Big River Telephone	2000 - 2
Jacksonville	660	295		
Salisbury	660	388		
Forest Green	660	481		
Ethel	660	486		
Bosworth	660	534		
DeWitt	660	549		
Hale	660	565		
New Boston	660	689		
Bucklin	660	695		
Callao	660	768		
Bevier	660	773		
Excello	660	775		
Prairie Hill	660	777		

Chariton Valley requests that this traffic be blocked on April 18, 2011, or another date mutually agreeable to Chariton Valley and ATTMo that is within 45 days of this request. 4 CSR 240-29.130(6).

2999

Halo Wireless Counsel John Marks has advised that Todd Wallace is no longer with the company, and to copy Mr. Marks instead.

Please let me know as soon as you can.

Sincerely, Johnson

cc: James Simon Tina Jordan John Van Eschen Bill Voight John Marks, General Counsel, Halo Wireless EXHIBIT 31 3/17/2011 LETTER FROM CRAIG S. JOHNSON



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 17, 2011

#### Via email and certified mail

John Marks, General Counsel Halo Wireless Inc 3437 W. 7<sup>th</sup> St Box 127 Fort Worth, TX 76107

Re: Notice of Request for Blocking of Traffic of Halo Wireless Inc. terminating to Chariton Valley Telephone Corporation, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Marks:

Please be notified that Chariton Valley Telephone Corporation (Chariton Valley) has requested that AT&TMo block Halo Wireless Traffic terminating to Chariton Valley pursuant to Missouri Public Service Commission Rule 4 CSR 240-29.130. A copy of that request is attached hereto for your reference.

Pursuant to the Commission Rule, Halo Wireless is notified of the reasons for, date of, and actions it can take to avoid, this traffic blocking.

#### Reasons for Blocking Request

Halo Wireless has refused to pay compensation for the traffic ATTMo identified Halo Wireless as being the originating carrier for, stating it had no obligation to pay Chariton Valley's invoice therefore; it appears some HW traffic transited by ATTMo to Chariton Valley is interLATA wireline traffic; it appears some HW traffic transited by ATTMo to Chariton Valley may not have been originated by HW; and it appears HW may not have delivered correct originating caller identification to Chariton Valley for such traffic.

#### Date Traffic is Requested to be Blocked

April 18, 2011.

### Actions Halo Wireless Can Take to Prevent Blocking

Halo Wireless can take any of the following actions to prevent implementation of this blocking request:

a. agree to enter into good faith negotiations to adopt or establish an interconnection

304 E. High St., Suite 200 • P.O. Box 1670 • Jefferson City, Missouri 65102 573-659-8734•573-761-3587 FAX agreement with Chariton Valley; or

b. placing a sufficient amount of monies into escrow for Chariton Valley to recover its intrastate intraLATA access charges on all HW intrastate intraLATA traffic transited by ATTMo for termination to Chariton Valley coupled with filing a formal complaint with the Missouri Public Service Commission; or

c. using alternative means of delivering the traffic in question for termination to Chariton Valley that does not deliver the traffic to a LEC-to-LEC network originating tandem carrier, such as contracting with interexchange carriers for delivery of HW traffic; or

d. directly interconnecting with Chariton Valley.

If HW chooses any of these alternatives, please notify me, ATTMo, and John Van Eschen no later than April 11, 2011 to avoid effectuation of traffic blocking.

If any questions or concerns arise regarding this notice, please direct them to me.

Sincerely, (g)S. Johnson

cc: James Simon
 Tina Jordan
 John Van Eschen, Mgr. MoPSC Telecommunications Dept.
 Bill Voight
 Leo Bub



Craig S. Johnson Andrew J. Sporleder Attorneys at Law

March 17, 2011

#### Via email and certified mail

Leo Bub Counsel AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

Re: Request for Blocking of Traffic of Halo Wireless Inc. terminating to Chariton Valley Telephone Corporation, made pursuant to the Missouri Enhanced Record Exchange Rule of the Missouri Public Service Commission.

Dear Mr. Bub:

This is a traffic blocking request made pursuant to 4 CSR 240-29.130. The terminating carrier making this request is Chariton Valley Telephone Corporation (Chariton Valley). The originating carrier whose traffic Chariton Valley is requesting ATTMo to block is that of Halo Wireless Inc., OCN 429F (HW).

Chariton Valley billed HW on February 1, 2011. HW refused to honor the invoice by letter dated March 2, 2011, saying it had no obligation to pay. This response is similar to that which is the subject of other recent blocking requests for HW traffic. In addition to this failure to compensate Chariton Valley, based on Chariton Valley switch records it appears that some of the traffic is wireline originated, some is interLATA wireline traffic, and HW has not delivered correct originating caller identification information to Chariton Valley.

Chariton Valley requests that ATTMo block HW traffic from terminating over the LEC-to-LEC network to the following Chariton Valley exchanges, except for the listed thousand blocks assigned to a competitor in the Huntsville exchange, to which calls should not be blocked pursuant to this request:

<b>Exchange</b>	<u>NPA-</u>	<u>NXX</u>	Competitor thousand number blocks
Bynumville	660	222 -	
New Cambria	a 660	226	
Atlanta	660	239	······································
Clifton Hill	660	261	

Huntsville	660	277	Big River Telephone 2000 - 2999
Jacksonville	660	295	
Salisbury	660	388	
Forest Green	660	481	
Ethel	660	486	
Bosworth	660	534	
DeWitt	660	549	
Hale	660	565	
New Boston	660	689	
Bucklin	660	695	
Callao	660	768	
Bevier	660	773	
Excello	660	775	
Prairie Hill	660	777	

Chariton Valley requests that this traffic be blocked on April 18, 2011, or another date mutually agreeable to Chariton Valley and ATTMo that is within 45 days of this request. 4 CSR 240-29.130(6).

Halo Wireless Counsel John Marks has advised that Todd Wallace is no longer with the company, and to copy Mr. Marks instead.

Please let me know as soon as you can.

Sincerely, Johnson

cc: James Simon Tina Jordan John Van Eschen Bill Voight John Marks, General Counsel, Halo Wireless EXHIBIT 32 3/24/2011 LETTER FROM W.R. ENGLAND, III

# LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 635-0427

BRIAN T. MCCARTNEY DIANA C. CARTER SCOTT A. HAMBLIN JAMIE J. COX L. RUSSELL MITTEN ERIN L. WISEMAN JOHN D. BORGMEYER

COUNSEL GREGORY C. MITCHELL

March 24, 2011

## VIA EMAIL & US MAIL

Mr. Leo Bub AT&T Missouri One Bell Center, Room 3520 St. Louis, MO 63101

## Re: Blocking of Terminating Traffic to Halo Wireless, Inc.

Dear Leo:

I am writing on behalf of Mark Twain Rural Telephone Company and Mark Twain Communications, Inc. (collectively Mark Twain) to request the assistance of AT&T Missouri (AT&T) in blocking traffic from Halo Wireless, Inc. (Halo) OCN 429F, as Halo has failed to 1) compensate Mark Twain for traffic Halo is terminating to Mark Twain; and 2) deliver originating caller identification (i.e., Calling Party Number or CPN) with each call Halo is sending to Mark Twain for termination.

As you are aware, terminating carriers, such as Mark Twain, may request the originating tandem carrier to block traffic over the LEC-to-LEC network where the originating carrier has failed to fully compensate the terminating carrier for terminating compensable traffic or failed to deliver originating caller identification. See 4 CSR 240-29.130. Beginning in approximately December, 2010, Mark Twain began receiving terminating traffic from Halo over the LEC-to-LEC network, as indicated in the "wireless" billing records Mark Twain received from AT&T. When Mark Twain attempted to bill Halo for this traffic, Halo refused to pay for its traffic. A copy of Halo's correspondence dated March 2, 2011, is attached hereto as Attachment A. In addition, Mark Twain has attempted to review its own switch records in order to identify the type and jurisdiction of the traffic it is receiving from Halo, but the originating caller identification (i.e., calling party number or CPN) for each terminating call has been replaced with a "fictitious" NPA-NXX that is assigned to Halo.

Therefore, Mark Twain requests that AT&T take the necessary steps to block Halo's traffic from terminating over the LEC-to-LEC network to the following Mark Twain exchanges:

Company Name	Exchange(s)	NPA	NXX
Mark Twain Telephone Company	Baring	660	892
	Bethel	660	284
	Brashear	660	323
	Durham	573	478
	Greentop	660	949
	Hurdland	660	423
	Knox City	660	434
	Leonard	660	762
	Newark	660	733
	Novelty	660	739
	Philadelphia	573	439
	Steffenville	660	278
	Williamstown	573	853
	Wyaconda	660	479
Mark Twain Communications	Ewing	573	209
	La Belle	660	213
	Lewistown	573	215

Mark Twain requests that AT&T effectuate blocking of Halo traffic on or after April 25, 2011. Please let me know whether AT&T will be able to block traffic on the date requested. If you have any questions regarding this request or require additional information, please contact me at your earliest convenience.

Thank you in advance for your attention to and cooperation in this matter.

Sincerely,

W.R. England, III

WRE/da

cc: Mr. John Marks (via email) Mr. John VanEschen (via email) EXHIBIT 33 3/24/2011 LETTER FROM W.R. ENGLAND, III

## LAW OFFICES BRYDON, SWEARENGEN & ENGLAND

DAVID V.G. BRYDON, Retired JAMES C. SWEARENGEN WILLIAM R. ENGLAND, III JOHNNY K. RICHARDSON GARY W. DUFFY PAUL A. BOUDREAU CHARLES E. SMARR DEAN L. COOPER PROFESSIONAL CORPORATION 312 EAST CAPITOL AVENUE P.O. BOX 456 JEFFERSON CITY, MISSOURI 65102-0456 TELEPHONE (573) 635-7166 FACSIMILE (573) 634-7431

BRIAN T. MCCARTNEY DIANA C. CARTER SCOTT A. HAMBLIN JAMIE J. COX L. RUSSELL MITTEN ERIN L. WISEMAN JOHN D. BORGMEYER

COUNSEL GREGORY C. MITCHELL

March 24, 2011

### VIA EMAIL & FEDERAL EXPRESS

Mr. John Marks General Counsel Halo Wireless 3437 W. 7<sup>th</sup> Street, Suite 127 Forth Worth, TX 76107

Re: Blocking of Terminating Traffic from Halo Wireless Effective April 25, 2011

Dear Mr. Marks:

This notice to commence blocking the telecommunications traffic that Halo Wireless, Inc. (Halo) is terminating to Mark Twain Rural Telephone Company and Mark Twain Communications, Inc. (collectively Mark Twain) is made pursuant to the Missouri Public Service Commission (MoPSC) Enhanced Record Exchange (ERE) Rule, 4 CSR 240, Chapter 29. Under the ERE Rule, a terminating carrier may request that the originating tandem carrier (in this case, AT&T Missouri) block the traffic of an originating carrier and/or traffic aggregator that has failed to 1) fully compensate the terminating carrier for terminating compensable traffic; and 2) deliver the originating caller identification with each call it is sending to Mark Twain.

**<u>Reasons for Blocking</u>**: Halo Wireless has failed to 1) fully compensate Mark Twain for the traffic Halo is terminating to Mark Twain; and 2) deliver the originating caller identification (i.e., Calling Party Number or CPN) with each call Halo is sending to Mark Twain for termination.

Date for Blocking to Begin: April 25, 2011.

Actions Necessary to Prevent Blocking. In order for Halo Wireless to avoid having its traffic blocked on the LEC-to-LEC Network beginning on April 25, 2011, Halo must: 1) compensate Mark Twain for the traffic Halo is terminating to Mark Twain at the appropriate access rate for interexchange traffic and the reciprocal compensation rate for intraMTA wireless traffic; and 2) immediately begin delivering the originating caller identification (i.e., CPN) with each call Halo is sending to Mark Twain for termination. These actions must be taken on or before April 20, 2011.

<u>Contact Person for Further Information</u>. Mark Twain has designated W.R. England, III and Brian McCartney as contact persons for further correspondence or information regarding this matter.

Sincerely, W.R. England

WRE/da

cc: Mr. John VanEschen, Missouri Public Service Commission (via email) Mr. Leo Bub, AT&T Missouri (via email) EXHIBIT 34 NARUC OPPOSITION TO PETITION OF TWC AND CRC FOR PREEMPTION DOCKET NO. WC 10-143





March 18, 2011

The Honorable Julius Genachowski, Chairman The Honorable Michael J. Copps, Commissioner The Honorable Robert M. McDowell, Commissioner The Honorable Mignon Clyburn, Commissioner The Honorable Meredith Attwell Baker, Commissioner Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

# **RE:** NARUC Opposition to Petition of TWC and CRC Communications for Preemption

Written Ex Parte filed in the proceeding Captioned: In the Matter of Petition of CRC Communications of Maine, Inc. and Time Warner Cable, Inc. for Preemption Pursuant to Section 253 of the Communications Act, as Amended, Docket No. WC 10-143

The National Association of Regulatory Utility Commissioners ("NARUC")<sup>1</sup> respectfully submits this opposition to the request of CRC Communications of Maine and Time Warner Cable, Inc. (collectively "TW") for an Order of the Federal Communications Commission ("FCC") to preempt and reverse the Order of the Maine Public Utilities Commission's ("MPUC") issued in May 2008 – more than two years before the Maine Commission ultimately upheld the rural exemption for five small rural local exchange carriers ("RLECs") in Maine.<sup>2</sup>

NARUC is recognized by Congress in several statutes, and consistently by the Courts, as well as a host of federal agencies, as the proper entity to represent the collective interests of State utility commissions. See 47 U.S.C. §410(c) (1971) (Congress designated NARUC to nominate members of Federal-State Joint Board to consider issues of common concern); See also 47 U.S.C. §254 (1996); See also NARUC, et al. v. ICC, 41 F.3d 721 (D.C. Cir 1994) (where this Court explains "Carriers, to get the cards, applied to...(NARUC), an interstate umbrella organization that, as envisioned by Congress, played a role in drafting the regulations that the ICC issued to create the "bingo card" system). See also, e.g., U.S. v. Southern Motor Carrier Rate Conference, Inc., 467 F. Supp. 471 (N.D. Ga. 1979), aff'd 672 F.2d 469 (5th Cir. 1982), aff'd en banc on reh'g, 702 F.2d 532 (5th Cir. 1983), rev'd on other grounds, 471 U.S. 48 (1985) (where the Supreme Court notes: "The District Court permitted (NARUC) to intervene as a defendant. Throughout this litigation, the NARUC has represented the interests of the Public Service Commissions of those States in which the defendant rate bureaus operate." 471 U.S. 52, n. 10. See also, Indianapolis Power and Light Co. v. ICC, 587 F.2d 1098 (7th Cir. 1982); Washington Utilities and Transportation Commission v. FCC, 513 F.2d 1142 (9th Cir. 1976); Compare, NARUC v. FERC, 475 F.3d 1277 (D.C. Cir. 2007); NARUC v. DOE, 851 F.2d 1424, 1425 (D.C. Cir. 1988); NARUC v. FCC, 737 F.2d 1095 (D.C. Cir. 1984), cert. denied, 469 U.S. 1227 (1985). See also NRC Atomic Safety and Licensing Board Memorandum and Order (Granting Intervention to Petitioners and Denying Withdrawal Motion), LBP-10-11, In the Matter of U.S. Department of Energy (High Level Waste Repository) Docket No. 63-001-HLW; ASLBP No. 09-892-HLW-CABO4, mimeo at 31 (June 29, 2010) ("We agree with NARUC that, because state utility commissioners are responsible for protecting ratepayers' interests and overseeing the operations of regulated electric utilities, these economic harms constitute its members' injury-in-fact.")

Maine Public Utilities Commission, Order, May 5, 2008, Docket No. 2007-611.

The CRC-TW petition is defective both on the merits and from a procedural prospective. That Order appealed established the ground rules for adjudicating the rest of the proceeding. When the Order was issued, *Time Warner did not appeal or object to the Order*. Certainly that was an option. Rather, it agreed to proceed according to the procedures established by the Order.

The rural exemption was included in the Telecommunications Act of 1996 ("TelAct") to ensure the continued viability of small rural telephone companies that have "provider-of-lastresort" obligations. The TelAct specifically delegated to States authority to determine when economic conditions were sufficient to either uphold or lift the rural exemption, based on evidence provided in State proceedings. The party seeking to lift the rural exemption has the burden of proof in such State proceedings.

In 2009 and 2010, the Maine Commission conducted lengthy proceedings providing ample opportunity for TW to meet its burden of proof with respect to the relevant legal and economic standards. Ultimately, in July 2010, the Maine PUC denied the TW petitions to lift the rural exemptions of five RLECs, finding the companies had not satisfied their burden of demonstrating that its competitive entry in to the territory of the five rural ILECs would not be "unduly economically burdensome."<sup>3</sup>

On its face, the TW petition to preempt a State commission order made in the course of fulfilling an explicitly delegated task under federal law lacks merit and should be summarily dismissed. The order that those Petitioners now seek to have preempted is the order issued by the MPUC on May 5, 2008, in MPUC Docket No. 2007-611, rather than the Order issued more recently on July 9, 2010, in MPUC Docket Nos. 2009-40 through 2009-44. In either case, petitioners have an ample remedy in federal district court.

TW misinterprets the statutory scheme provided in the TelAct and, in so doing, fail to make a valid argument that they are entitled to interconnection under §251(b). The MPUC concluded correctly that TW is not entitled to arbitration of their request for interconnection under that sub-section. In any event, §251(f)(2) makes it clear that the prevailing economic and universal service-related facts (i.e., undue economic burden on the RLEC) found present in a case involving §251(c) also ultimately requires a State commission to apply the rural exemption from interconnection otherwise available pursuant to §251(b). TW's statutory arguments are without merit even if they were to prevail in their questionable procedural attempt to collaterally attack a two year procedural ruling instead of the recent decision on the merits.

TW makes a series of technical legal arguments that, if accepted, would undermine the fundamental purpose of the rural exemption. The over-riding purpose of the rural exemption is to prevent ruinous competition in areas served by small rural telephone companies that provide the sole means of communication for many customers – customers who will never be served by competitors like TW. It would be no solace to RLECs or to their customers that the RLECs were rendered non-viable because of competition pursuant to \$251(b), as opposed to because of \$251(c). Such a technical and narrow reading of the rural exemption provisions is inconsistent on its face with the statutory text.

<sup>&</sup>lt;sup>3</sup> CRC Communications of Maine, Inc., Investigation Pursuant to 47 U.S.C. §251(f)(1) Regarding CRC Communications of Maine's Request of UniTel, Inc, Docket Nos. 2009-40 through 2009-44, Order, p. 54, July 9 2010.

Finally, TW's arguments invoking  $$253^4$  of the TelAct (elimination of barriers to entry) is charitably – a very unusual - and certainly fractured reading of that provision. Section 253(f) specifically provides that it \$253 "shall not apply...to a service area served by a rural telephone company that has obtained an exemption, suspension, or modification of section 251(c)(4) of this title that effectively prevents a competitor from meeting the requirements of section 214(e)(1) of this title. The references to the National Broadband Plan – which must contemplate additional authorizing legislation is also a weak counter to the express statutory text. Although they make the attempt, TW cannot logically argue that a general policy found in the TelAct or statements made in the Broadband Plan – which, at this point, is merely an FCC staff recommendation – can preempt a specific provisions of the TelAct where Congress require States to engage in this proceeding. The legal syllogism TW advances is untenable on its face. The petition should be dismissed immediately.

The petitioners are not left without a remedy. They can appeal the rural exemption determinations and present their illogical construct to the court. I suspect the Court will not find this argument relevant or if relevant to the merits – remotely logical. However, if Petitioners are correct in their view of the statute, the Courts should ultimately decide that the State PUC's ultimate finding that the exemption applies is of no significance to the State's separate duty to arbitration interconnection disputes.

Please do not hesitate to contact the undersigned at 202.898.2207 or <u>jramsay@naruc.org</u> if you have any questions about this pleading.

## Respectfully submitted,

#### /s/

James Bradford Ramsay NARUC General Counsel

Cc: Rick Kaplan - Chief Counsel and Senior Legal Advisor, Office of the Chairman Zac Katz - Legal Advisor for Wireline Communications, International and Internet Issues, Office of the Chairman Margaret McCarthy - Policy Advisor, Wireline, Office of Commissioner Copps Christine D. Kurth - Policy Director & Wireline Counsel, Office of Commissioner McDowell Angela Kronenberg - Wireline Legal Advisor, Office of Commissioner Clyburn Louis Peraertz - Legal Advisor, Wireless, International, and Public Safety, Office of Commissioner Clyburn Drema Johnson - Deputy Chief of Staff, Office of Commissioner Clyburn Brad Gillen - Legal Advisor-Wireline issues Sharon Gillett, Chief Wireline Competition Bureau Austin Schlick, FCC General Counsel

<sup>4</sup> 

See: <u>http://law.onecle.com/uscode/47/253.html</u> for the full text of 47 U.S.C. §253 (1996).

EXHIBIT 35 3/4/2011, 3/10/2011 EMAILS BETWEEN MID-PLAINS AND HALO WIRELESS

# W. Scott McCollough

From:	John Marks [jmarks@halowireless.com]	
Sent:	Thursday, March 10, 2011 2:40 PM	
То:	wsmc@smccollough.com; 'Robert Johnson'	
Subject:	FW: Mid-Plains / Halo Interconnection	
Attachments: NECA Tariff 4 Info.pdf		

### From Wes Robinson:

From: Wes Robinson [mailto:wrobinson@jsitel.com]
Sent: Thursday, March 10, 2011 2:12 PM
To: John Marks
Subject: Mid-Plains / Halo Interconnection

Mr. Marks,

Thank you for your response on Friday. Mid-Plains is looking forward to reviewing Halo's proposed changes to the agreement. Mid-Plains agrees with Halo when you insist that the parties only negotiate issues related to the parties' obligations under Section 251. As such, to the extent Halo proposes any substantive changes to the agreement, please indicate in a brief comment within the document why Halo believes the proposed change is justified under applicable Texas Commission decisions. This will help us understand the basis of any proposed changes and, I hope, will speed negotiations along. For example, to the extent Halo believes that its status as a CMRS provider authorizes it to resell landline local exchange services within the state of Texas without first obtaining a state-issued certificate, please provide support for such a conclusion. The same applies to access to UNEs, collocation, and IP interconnection obligations between ILECs and CMRS providers. If the Texas Commission has ever ordered an ILEC in general (or a rural telephone company in particular) to provide these services to a CMRS provider, please provide citations to Texas Commission decisions so that we can review them.

In regard to your request for TELRIC pricing information, Mid-Plains does not currently have any cost studies supporting the proposed rates. As discussed earlier, we are hopeful that the parties can voluntarily reach an agreement to allow the parties to exchange traffic with one another without having to get into complicated and divisive issues like the applicability of certain pricing standards. However, as noted by the Texas Commission in Docket No. 35869, rural telephone companies like Mid-Plains are exempt from TELRIC pricing standards. Mid-Plains' proposed rate in the agreement is the lowest reciprocal compensation rate in effect between Mid-Plains and a CMRS provider and, as such, we believe the proposed rate is "just, reasonable, and nondiscriminatory." (See Docket No. 35869, Arbitration Award, at pp. 9-10.)

In regard to the network information requested, Mid-Plains operates a host / remote network with the host switch being the Tulia Exchange (TLIATXAJDSO). Mid-Plains is offering to exchange all traffic with Halo at the single point of interconnection in the Tulia host office switch. To the extent Halo wishes to interconnect at the remote offices, Halo would be required to obtain multiple points of interconnection for the exchange traffic with Mid-Plains. While Mid-Plains does not object to Halo obtaining additional points of interconnection at Tulia is the most practical for both parties at this point. However, Mid-Plains' proposed agreement allows the parties to add additional technically feasible points of interconnection in the future to the extent the parties agree. NECA Tariff F.C.C. No. 4 is publicly available, but I have attached information regarding Mid-Plains' network including mileage and meet

points in an effort to assist you. To the extent you require any additional network information, please let me know.

Thank you for your attention to this matter.

Wes Robinson Manager - Regulatory Affairs John Staurulakis, Inc. 9430 Research Blvd. Echelon Bld. II, Suite 200 Austin, Texas 78759 (512) 338-0473 (512) 346-0822 fax

From: John Marks [mailto:jmarks@halowireless.com] Sent: Friday, March 04, 2011 5:55 PM To: Wes Robinson Subject:

Mr. Robinson,

Halo has been somewhat busy responding to a recent increase in communications by carriers, and this has slowed our ability to assess and respond to the document you mailed on 2/11 relating to Mid-Plains. We intend to finish our review and provide a red-line by mid-week next week. Although we will provide that material to you, a few caveats and reservations are important.

- 1. Halo still does not agree that your client Mid-Plains has properly invoked FCC Rule 20.11(e). As we indicated during our call we are willing to discuss substance with you but our position remains that we are not yet formally under the negotiation and arbitration process in §252 and that since Halo has not been requested to submit to state level arbitration we have not done so. Thus, if your client were to choose to file something with the state commission we reserve the right to assert the Texas PUC lacks both subject matter and personal jurisdiction. Further, we continue to assert that the only way the state commission can have jurisdiction and can establish arbitrated terms is if your clients have §251(b) duties. In other words, a state commission proceeding cannot rely only on §251(a) duties and arbitrate solely a §251(a) agreement. We explained our position and the basis for that position before, so I will not reiterate it here. Thus, the transmittal of a mark-up will be without waiver of that position.
- 2. Subject to that reservation and express lack of waiver, in order to be efficient we will mark up the agreement assuming (again, without accepting)that your client has indeed properly invoked 20.11(e). The mark-up will implement your client's §251(b) duties and the §251(c) duties that will arise (or for purposes of the exercise we are assuming they have already arisen). It will involve only those topics. Halo does not/will not agree to negotiate any issue outside of those duties and with regard to those duties we do not/will not agree to negotiate terms without regard to the standards for them in the Act and FCC rules.

The mark-up will, however, necessarily be incomplete in several critical regards because of a lack of information. Therefore, in order to provide a complete set of terms we will need information regarding the following §251(b) and (c) topics:

FCC rule 51.30(c)(8)(ii) requires ILECs to "furnish cost data that would be relevant to setting rates if the parties were in arbitration" while parties are negotiating, if requested. I believe that during our call Halo

indicated that we wanted cost information to support your proposed transport and termination prices. I now reiterate our request that you provide client-specific cost data so we can compare the price you have proposed to the applicable rules. Specifically we need your TELRIC cost studies.

Halo will desire direct interconnection and will apply §251(c)(2) as well as §252(d)(1). Halo's wireless network is 4G and we use Wi-Max, so we will be seeking IP-based interconnection rather than the more traditional circuit-switched interfaces and signaling. Transport and termination pricing will follow §252(d)(2). We will also be interested in inter alia, resale (§251(c)(4)), collocation (§251(c)(6)), and structure access terms (§251(b)(4), invoking and applying §224)), and we will insist on faithful application of all the standards established in §252 along with the FCC's implementing rules.

Therefore, please provide cost studies using TELRIC principles that support all of your client's proposed pricing for interconnection, traffic exchange, and collocation. Please provide studies reflecting your client's claimed avoided cost for resale purposes. Please provide studies that will support your clients proposed prices and terms for access to poles, conduits and rights of way. Assuming (without admitting) that we are in the §252 process, your client must provide this information that will be used under §252(d) and FCC rules 51.501, 51.609 and 51.705, among others.

FCC rule 51.301(c)(8)(i) requires an ILEC "to furnish information about its network." While I am certain we will have additional requests in the future, at this time Halo requests that your client also provide (i) information regarding each of your client's end offices and the tandem that tends to each of them, including the portion of the transport facility that is owned by your client and (ii) the extent to which your client has IP in its network. The need for part (i) should be relatively apparent. First, we want to be able to verify transport distances for purposes of transport and termination charges and even more specifically the transport your client provides from the tandem to each end office so we can be sure we are not paying for more transport than your client is actually providing using its own facilities. Second, we will want to identify the potential places "within" your client's network where Halo can establish a single POI that will serve all of your client's switches within the LATA. Part(ii) relates to our potential desire to affect IP-based rather than "TDM"-based interconnection for purposes and our need to know where the most mutually-convenient location might be to establish IP-based interconnection at the single LATA POI we would propose to establish.

This information is necessary for us to be able to develop and propose terms in the 252 context (again, assuming but not admitting that is the context that applies) and it most certainly would be relevant to the issues that would be arbitrated before a regulator given the substantive standards of the Act in §251(b)(5) and (c) and then in §252.

We will provide a partial mark-up, but it will necessarily be incomplete. We cannot devise proposed terms to implement all of your client's §251(b) and (c) duties until we receive the information requested above. The mark-up will so reflect.

Thank You.