## BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:

COMPLAINT OF

BELLSOUTH TELECOMMUNICATIONS

LLC D/B/A AT&T TENNESSEE

V.

HALO WIRELESS, INC.

DOCKET NO.: 11-00119

#### HALO WIRELESS, INC.'S PRE-HEARING MEMORANDUM

#### A. <u>INTRODUCTION</u>

Halo Wireless, Inc. ("Halo") is not in breach of the interconnection agreement ("ICA") and AT&T is not entitled to "significant amounts of money" from Halo for the traffic at issue here. Halo provides commercial mobile radio service ("CMRS") and it sells telephone exchange service to Transcom Enhanced Services, Inc. ("Transcom") - Halo's high volume customer. On four separate occasions, courts of competent jurisdiction have ruled that Transcom is an Enhanced Service Provider ("ESP") even for phone-to-phone calls because Transcom changes the content of every call that passes through its system and also offers enhanced capabilities. Three of those rulings occurred after the IP-in-the-middle order came out, and the relevant court duly considered that order and ruled that Transcom's service is not a telecommunications service, but an information service, even for calls that begin and end on the PSTN. The courts ruled that Transcom is an end user, not a carrier. Accordingly, as a CMRS, Halo is selling telephone exchange service to an ESP end user. All such calls received from Transcom within any particular MTA are terminated in that same MTA. The bottom line is that not one minute of the relevant traffic is subject to access charges. It is all "reciprocal compensation" traffic and subject to the "local" charges in the ICA.

#### B. <u>HALO'S FCC LICENSE</u>

Halo has a valid and subsisting Radio Station Authorization ("RSA") from the FCC authorizing Halo to provide wireless service as a common carrier and to operate stations in the "3650-3700" MHz band.<sup>1</sup> Halo has established 28 total registered base stations with the FCC's Universal Licensing System, only 3 of which are within any Major Trading Area ("MTA") covering Tennessee.<sup>2</sup>

The regulatory classification for Halo is defined and governed exclusively by *federal* law. The FCC has *exclusive* jurisdiction over wireless licensing, market entry by private and commercial wireless service providers and the rates charged for wireless services. The FCC has made it clear that decisions affecting federal telecom licensees like Halo, and their services, are not entrusted to the state commissions because doing so is impractical and would make deployment of nationwide wireless systems like Halo's "virtually impossible."

The Supreme Court and several courts of appeals have consistently held that state commissions cannot undertake to interpret or enforce federal licenses because "a multitude of

<sup>&</sup>lt;sup>1</sup> See Wiseman Direct Testimony page 2.

<sup>&</sup>lt;sup>2</sup> See Wiseman Direct Testimony page 3.

The FCC has directly held on several occasions that even the possibility of state regulation and inconsistent burdens and obligations constitutes a barrier to entry and must be avoided. See, e.g., Declaratory Ruling, In the Matter of Public Service Company of Oklahoma Request for Declaratory Ruling, DA 88-544, ¶ 24, 3 FCC Rcd 2327, 2329 (rel. Apr. 1988) (finding that "inconsistent state regulation" "would impede development of a uniform system of regulation for Commission licensees."); Second Report and Order, In the Matter of Amendment of Parts 2, 22 and 25 of the Commission's Rules to Allocate Spectrum for, and to Establish Other Rules and Policies Pertaining to the Use of Radio Frequencies in a Land Mobile Satellite Service for the Provision of Various Common Carrier Services; In the Matter of the Applications of Global Land Mobile Satellite, Inc.; Globesat Express; Hughes Communications Mobile Satellite, Inc.; MCCA American Satellite Service Corporation; McCaw Space Technologies, Inc.; Mobile Satellite Corporation; Mobile Satellite Service, Inc.; North American Mobile Satellite, Inc.; Omninet Corporation; Satellite Mobile Telephone Co.; Sky-Link Corporation; Wismer & Becker/Transmit Communications, Inc., FCC 86-552, ¶ 40, 2 FCC Rcd 485, 491 (rel. Jan. 1987)(finding that "permitting states to impose their individual regulatory schemes over" an FCC licensee "would not only be impractical but would seriously jeopardize the operation of the system. Requiring the consortium to adhere to fifty potentially conflicting" standards "would render implementation" "virtually impossible.")

interpretations of the same certificate" will result.<sup>4</sup> The FCC is the exclusive "first decider" and must be the one to interpret, in the first instance, whether a particular activity falls within the certificates it has issued.<sup>5</sup>

If a state commission or AT&T believe that the federally-licensed entity is engaging in some "scheme" or "subterfuge" through its practices, the proper forum is the FCC. Similarly, if any state commission has a concern, its remedy is to petition the federal licensing body for relief.<sup>6</sup> Based on the relevant case law, Halo respectfully reminds the TRA that a state commission cannot take any action that would "amount to a suspension or revocation" of a federal license.<sup>7</sup>

#### C. HALO'S TRAFFIC IS NOT WIRELINE-ORIGINATED

On four separate occasions, courts of competent jurisdiction have ruled that Transcom is an Enhanced Service Provider ("ESP") even for phone-to-phone calls<sup>8</sup> because Transcom changes the content of every call that passes through its system, often changes the form, and also offers enhanced capabilities (the "ESP rulings").<sup>9</sup> The court directly construed and then decided

<sup>&</sup>lt;sup>4</sup> "It appears clear that interpretations of federal certificates of this character should be made in the first instance by the authority issuing the certificate and upon whom the Congress has placed the responsibility of action. \* \* \* Thus the possibility of a multitude of interpretations of the same federal certificate by several States will be avoided and a uniform administration of the Act achieved." Service Storage & Transfer Co. v. Com. of Va., 359 U.S. 171, 177 (1959).

<sup>&</sup>lt;sup>5</sup> Id. at 177; see also Gray Lines Tour, Co. v. Interstate Commerce Com., 824 F.2d 811, 815 (9th Cir. 1987) and Middlewest Motor Freight Bureau v. ICC, 867 F.2d 458, 459 (8th Cir. 1989).

<sup>&</sup>lt;sup>6</sup> Service Storage, 359 U.S. at 179.

<sup>&</sup>lt;sup>7</sup> "Under these circumstances, it would be odd if a state could take action amounting to a suspension or revocation of an interstate carrier's commission-granted right to operate. ... It cannot be doubted that suspension of this common carrier's right to use Illinois highways is the equivalent of a partial suspension of its federally granted certificate." Castle, Attorney General v. Hayes Freight Lines, 348 U.S. 61, 64 (1954).

<sup>&</sup>lt;sup>8</sup> Transcom also has a very significant and growing amount of calls that originate from IP endpoints.

<sup>&</sup>lt;sup>9</sup> See Wiseman Direct Testimony page 10-11; Johnson Rebuttal Testimony pg. 3-6.

Transcom's regulatory classification and specifically held that Transcom (1) is not a carrier; (2) does not provide telephone toll service or any telecommunications service; (3) is an end user; (4) is not required to procure exchange access in order to obtain connectivity to the public switched telephone network ("PSTN"); and (5) may instead purchase telephone exchange service just like any other end user. <sup>10</sup> Three of these decisions were reached after the so-called "IP-in-the-Middle" and "AT&T Calling Card" orders <sup>11</sup> and expressly took them into account. The courts ruled that Transcom is an end user, not a carrier. <sup>12</sup>

Halo is selling CMRS-based telephone exchange service to an ESP end user.<sup>13</sup> All of the communications at issue originate from end user wireless customer premises equipment ("CPE") (as defined in the Act, 47 U.S.C. § 153(14))<sup>14</sup> that is located in the same MTA as the terminating location.<sup>15</sup> Therefore, contrary to AT&T's assertion in paragraph 7 of the Complaint, the traffic in issue *does* "originate[] through wireless transmitting and receiving facilities before [Halo] delivers traffic to AT&T."<sup>16</sup> When the customer wants to initiate a session, the customer originates a call using the wireless station that is handled by the base station, processed through

<sup>&</sup>lt;sup>10</sup> Id.

<sup>&</sup>lt;sup>11</sup> 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, WC Docket No. 02-361, FCC 04-97, 19 FCC Rcd 7457 (rel. April 21, 2004) ("AT&T Declaratory Ruling" also known as "IP-in-the-Middle"); Order and Notice of Proposed Rulemaking, In the Matter of AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services Regulation of Prepaid Calling Card Services, WC Docket Nos. 03-133, 05-68, FCC 05-41, 20 FCC Rcd 4826 (rel. Feb. 2005) ("AT&T Calling Card Order").

<sup>&</sup>lt;sup>12</sup> *Id*.

<sup>&</sup>lt;sup>13</sup> See Wiseman Direct Testimony page 6.

<sup>&</sup>lt;sup>14</sup> Stated another way, the mobile stations (see 47 U.S.C. § 153(28)) used by Halo's end user customers – including Transcom – are not "telecommunications equipment" as defined in section 153(45) of the Act because the customers are not carriers. Halo has and uses telecommunications equipment, but its customers do not. They have CPE.

<sup>&</sup>lt;sup>15</sup> See Wiseman Direct Testimony page 7-8.

<sup>&</sup>lt;sup>16</sup> See Wiseman Direct Testimony page 15-19.

Halo's network, and ultimately handed off to AT&T for termination or transit over the interconnection arrangements that are in place as a result of the various ICAs.<sup>17</sup>

AT&T is apparently claiming that Halo is merely "re-originating" traffic and that the "true" end points are elsewhere on the public switched telephone network ("PSTN"). In making this argument, however, AT&T is advancing the exact position that the D.C. Circuit rejected in *Bell Atl. Tel. Cos. v. FCC*, 206 F.3d 1 (D.C. Cir. 2000). In that case, the D.C. Circuit held it did not matter that a call received by an ISP is instantaneously followed by the origination of a "further communication" that will then "continue to the ultimate destination" elsewhere. The Court held that "the mere fact that the ISP originates further telecommunications does not imply that the original telecommunication does not 'terminate' at the ISP." In other words, the D.C. Circuit clearly recognizes — and functionally held — that an ESP is an "origination" and "termination" endpoint for intercarrier compensation purposes (as opposed to *jurisdictional* purposes, which does use the "end-to-end" test).

The traffic at issue here goes to Transcom where there is a "termination." Transcom then "originates" a "further communication" in the MTA. *Id.* In the same way that ISP-bound traffic *from* the PSTN is immune from access charges (because it is not "carved out by section 251(g) and is covered by section 251(b)(5)), the call *to* the PSTN is also immune.<sup>21</sup>

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> Bell Atl. Tel. Cos. v. FCC, 206 F.3d 1 (D.C. Cir. 2000).

<sup>19</sup> Id

<sup>&</sup>lt;sup>20</sup> See Wiseman Direct Testimony page 15-19.

<sup>&</sup>lt;sup>21</sup> The incumbents incessantly assert that the ESP Exemption only applies "only" for calls "from" an ESP customer "to" the ESP. This is flatly untrue. ESPs "may use incumbent LEC facilities to originate and terminate interstate calls[.]" See NPRM, In the Matter of Access Charge Reform, 11 FCC Rcd 21354, 21478 (FCC 1996). The FCC itself has consistently recognized that ESPs – as end users – "originate" traffic even when they received the call from some other end-point. That is the purpose of the FCC's finding that ESPs systems operate much like traditional "leaky PBXs."

AT&T's argument that the traffic is wireline-originated, and therefore, that Halo owes access charges for the traffic at issue rests on the faulty premise that Transcom is not an end user. <sup>22</sup> But, AT&T is barred from asserting that Transcom is not an end user. Transcom and AT&T were directly involved in litigation, and in the ESP Rulings discussed above, the court twice held – over AT&T's strong opposition – that Transcom is an ESP and end user, is not a carrier, and access charges do not apply to Transcom's traffic. <sup>23</sup> This specific set of rulings was incorporated into the Confirmation Order in Transcom's bankruptcy case. AT&T was a party and is bound by these holdings. <sup>24</sup> AT&T is barred from raising any claim that Transcom is anything other than an ESP and end user qualified to purchase telephone exchange service from carriers, and cannot now collaterally attack the bankruptcy court rulings. Transcom's status as an end user is not subject to debate.

Once it is clear that Transcom is Halo's telephone exchange service end user customer, all of AT&T's contentions simply fail. End users originate calls. The calls at issue are "end user" calls, so AT&T's assertions are flatly incorrect and the claim is based on the impermissible and incorrect premise that Halo's customers are not "end users" purchasing telephone exchange service in the MTA.

#### D. HALO DOES NOT ALTER OR DELETE CALL DETAIL

The primary contractual provisions that bear on this issue are Sections IV.C, IV.F, XIV.E, XIV.G, and VI.C.3.

AT&T's argument that Halo alters or deletes call detail also fails once it is understood that this is end user telephone exchange service originating traffic, and the service being

<sup>&</sup>lt;sup>22</sup> See Wiseman Rebuttal Testimony, pg. 4-5.

<sup>&</sup>lt;sup>23</sup> Id.

<sup>&</sup>lt;sup>24</sup> *Id*.

provided is functionally equivalent to an integrated services digital network ("ISDN") primary rate interface ("PRI") (hereinafter referred to as "ISDN PRI") trunk to a large communications intensive business customer. Indeed, Halo's signaling practices with regard to Charge Number ("CN") are exactly the same as those AT&T uses when it provides ISDN PRI trunk service to a business customer.<sup>25</sup>

To the extent any E.164 address is properly used for rating or jurisdictionalizing (which we deny), CN address signal content, rather than that for Calling Party Number ("CPN"), is the information that should be used. The reason is that the presentation of this address signal content correctly advertises that the call is originating from a Halo end user customer, and the particular billing number used demonstrates that the call originated in the same MTA as the terminating location. For this reason, Halo's practices do not in any way prevent AT&T from accurately measuring, rating, or billing this reciprocal compensation traffic; to the contrary, it ensures that AT&T's systems recognize the end user telephone exchange traffic that it is. The ICA in issue does not rate traffic based on telephone numbers, but if and to the extent AT&T's systems nonetheless (and in violation of the ICA) use the calling and called numbers to rate, bill, or validate, Halo's practice results in proper rating and billing.

The ICA requires Halo to populate the CN parameter exactly the way that Halo does so. 30 General Terms and Conditions § XIV.E is very clear:

<sup>&</sup>lt;sup>25</sup> See Wiseman Direct Testimony page 28.

<sup>&</sup>lt;sup>26</sup> See Wiseman Direct Testimony page 26-28.

<sup>&</sup>lt;sup>27</sup> *Id*.

<sup>&</sup>lt;sup>28</sup> Id.

<sup>&</sup>lt;sup>29</sup> *Id*.

<sup>&</sup>lt;sup>30</sup> See Wiseman Direct Testimony page 31-32.

E. The parties will provide Common Channel Signaling (CCS) information to one another, where available and technically feasible, in conjunction with all traffic in order to enable full interoperability of CLASS features and functions except for call return. All CCS signaling parameters will be provided, including automatic number identification (ANI), originating line information (OLI) calling party category, charge number, etc. All privacy indicators will be honored, and the parties agree to cooperate on the exchange of Transactional Capabilities Application Part (TCAP) messages to facilitate full interoperability of CCS-based features between the respective networks. (emphasis added)

Halo performs the "Class 5" functions and populates the CPN and CN parameters with the address signal information that should appear in each location.<sup>31</sup> And again, Halo's practices with regard to the CN are exactly the same as AT&T's when it serves a business end user with an ISDN PBX.<sup>32</sup>

Halo does not change the content or in any way "manipulate" the address signal information that is ultimately populated in the SS7 ISUP IAM CPN parameter.<sup>33</sup> Halo populates the CN parameter with the Billing Telephone Number of its end user customer – Transcom. AT&T alleges improper modification of signaling information related to the CN parameter, but the basis of this claim once again results from the assertion that Transcom is a carrier rather than an end user and runs counter to the ESP Rulings discussed above.<sup>34</sup> Halo is exactly following industry practice applicable to an exchange carrier providing telephone exchange service to an end user, and in particular a communications-intensive business end user with sophisticated CPE.

<sup>&</sup>lt;sup>31</sup> *Id*.

<sup>&</sup>lt;sup>32</sup> See Wiseman Direct Testimony page 28.

<sup>&</sup>lt;sup>33</sup> See Wiseman Direct Testimony page 26-28.

<sup>&</sup>lt;sup>34</sup> *Id*.

#### E. HALO DOES NOT OWE AT&T FACILITIES CHARGES

The primary contractual provisions that bear on this issue are Sections V.A, IV.B, IV.C, and VI.B.2 a and b

Halo denies that it ordered the specific interconnection "transport facilities" from AT&T of which AT&T complains, and Halo further denies that AT&T has provided the specific interconnection "transport facilities" to Halo of which AT&T complains. Therefore, Halo denies that AT&T is entitled to payment for the specific alleged "transport facilities" that are in issue.

Under the ICA, AT&T may only charge for interconnection "facilities" when AT&T-provided "facilities" are used by Halo to reach the mutually-agreed Point of Interconnection ("POI"). This is made clear by the usage in IV.A and then IV.B and C, which must be read in conjunction with VI.B.2 a and b. Under the terms of the ICA, the POI is where Halo's network ends. Halo has expended considerable sums to get to the POI location, which is in the AT&T tandem building. AT&T is cost-responsible from there.

The architecture in place is as follows: Halo obtains transmission from its network to AT&T tandem buildings from third party service providers.<sup>35</sup> In the vast majority of locations, the third party service provider has transport facilities and equipment in the tandem building, either in a "meet me room" area or via collocation facilities purchased from AT&T.<sup>36</sup> In a small handful of locations, for example Nashville and New Orleans,<sup>37</sup> Halo's third party provider could not provide transport to the AT&T tandem Halo desired to use as the Type 2A interface

<sup>&</sup>lt;sup>35</sup> See Wiseman Direct Testimony page 33.

<sup>36</sup> Id

<sup>&</sup>lt;sup>37</sup> The New Orleans arrangement is not in issue in this matter.

location.<sup>38</sup> In these rare instances, AT&T provisioned as part of the circuit design, and Halo acknowledges cost responsibility for, entrance facilities from AT&T to reach the tandem building.<sup>39</sup>

However, Halo recently discovered that certain Entrance Facility and DS3 multiplexing charges in Nashville have not been paid.<sup>40</sup> Halo is determining the amounts in issue and will work with AT&T to determine the amounts due. To be clear, Halo admits that it is responsible for the charges related to the Entrance Facility in Nashville and the associated multiplexing in Nashville.

In all other Tennessee markets, Halo has secured third party transport all the way up to the mutually-agreed POI.<sup>41</sup> The third party transport provider will have a collocation arrangement in the AT&T Tennessee tandem.<sup>42</sup> As part of its third party provided transport arrangements, Halo secures a Letter of Agency/Channel Facility Assignment ("LOA/CFA") from its third party transport service provider.<sup>43</sup> The CFA portion of the LOA/CFA document consists of an Access Customer Terminal Location ("ACTL"), the third party provider's circuit ID, and a specific channel facility assignment (at the DS-3 or DS-1 level depending on the arrangements) on the third party's existing transport facilities.<sup>44</sup> This CFA defines the specific rack, panel and jack locations at Halo's third party transport providers' digital signal cross-

<sup>&</sup>lt;sup>38</sup> See Wiseman Direct Testimony page 33-37.

<sup>&</sup>lt;sup>39</sup> *Id*.

<sup>&</sup>lt;sup>40</sup> *Id*.

<sup>&</sup>lt;sup>41</sup> *Id*.

<sup>&</sup>lt;sup>42</sup> *Id*.

<sup>&</sup>lt;sup>43</sup> *Id*.

<sup>&</sup>lt;sup>44</sup> *Id*.

connect ("DSX") where Halo and AT&T meet to exchange traffic. 45 In other words, the mutually-agreed POI between AT&T and Halo is located where AT&T "plugs in" its network on the DSX panel where the CFA is given to Halo by the third party transport provider. 46

In order to implement interconnection in Chattanooga, AT&T has installed crossconnects that go from its tandem switch to a panel, and then from the panel to the POI. The cross-connects to the POI are at the DS1 level. 47 AT&T claims to also be performing DS0/DS1 multiplexing for the switch port termination.

AT&T is providing DS1/DS3 multiplexing in Memphis and Knoxville. In those locations AT&T has installed cross-connects that go from its tandem switch to a multiplexer where they mux up the DS1s to DS3. They then installed a cross-connect from the DS1/DS3 to the POI. The POI interface between AT&T and Halo in Memphis and Knoxville is at the DS3 level. AT&T claims to be performing DS0/DS1 multiplexing for the switch port termination as well.

AT&T has been charging Halo for a switch port, DS0/DS1 multiplexing, and crossconnects in Chattanooga. 48 In Memphis and Knoxville, AT&T is charging Halo for a switch port, DS0/DS1 multiplexing, and cross-connects. AT&T is also charging for DS1/DS3 multiplexing and then for cross-connects from the DS1/DS3 mux to the POI. 49

As noted, the Halo POI in Chattanooga, Knoxville, and Nashville is the CFA location on our transport vendor's DSX.50 Each of these three POIs is inside the tandem building.51 This is

<sup>&</sup>lt;sup>45</sup> *Id*.

<sup>&</sup>lt;sup>46</sup> Id.

<sup>&</sup>lt;sup>47</sup> See Wiseman Direct Testimony, pg. 35-37.

<sup>&</sup>lt;sup>48</sup> *Id*.

<sup>&</sup>lt;sup>49</sup> Id.

<sup>&</sup>lt;sup>50</sup> *Id*.

the location where the parties exchange traffic.<sup>52</sup> AT&T has wrongly chosen to call the crossconnects "channel terminations" and is attempting to bill Halo out of the access tariff for these cross-connects even though they are on AT&T's side of the POI.<sup>53</sup> AT&T is also charging Halo for certain multiplexing (DS3/DS1, and DS0/DS1).<sup>54</sup> AT&T is also assessing switch port charges.

There are three different physical interconnect situations in place today between Halo and AT&T that have POI nuances, but do not fundamentally change the POI arrangement from a cost responsibility stand point.<sup>55</sup> These include:

- Halo hand off at the T1 level; a.
- Halo hand off at the DS-3 level, and where Halo's third party service provider b. provides a DS-3 to DS-1 mux/demux; and
- Halo hand off at the DS-3 level, and where Halo has ordered, and AT&T is c. providing, DS-3 to DS-1 mux/demux.<sup>56</sup>

In the first two situations (a) and (b), the POI is either a DSX-1 or DSX-3 cross connect frame owned by Halo's third party service provider.<sup>57</sup> In the third situation (c), the POI can either be considered the DSX-3 cross-connect frame of Halo's service provider, or the DS-3/DS-1 muxing equipment used by AT&T to provide the muxing Halo has ordered and is receiving from

<sup>52</sup> Id.

<sup>54</sup> Id.

<sup>55</sup> Id.

<sup>56</sup> *Id*.

<sup>57</sup> Id.

<sup>&</sup>lt;sup>51</sup> *Id*.

<sup>&</sup>lt;sup>53</sup> Id

AT&T in Knoxville and Memphis.<sup>58</sup> But either way, the POI does not extend beyond the DS-1 interface point, and AT&T's responsibility to cross-connect to a DS-1 interface is not changed.<sup>59</sup>

The DS-3 to DS-1 muxing/demuxing is done purely for AT&T's convenience; Halo was and is at all times prepared to support DS3 physical layer capability all the way into the tandem switch. Nonetheless, even though Halo denies cost responsibility in these cases, Halo has paid and disputed the charges for DS1/DS3 multiplexing and the cross connect from the POI to the DS3/DS1 mux in Knoxville and Memphis. If and to the extent AT&T insists on moving forward with this part of the complaint, Halo seeks a refund for the payments it has made for DS3/DS1 multiplexing.

AT&T appears to be attempting to recover charges for DS1/DS0 multiplexing that AT&T performs to create 24 DS0s that then connect to a port on AT&T's tandem switch.<sup>62</sup> This multiplexing is clearly on AT&T's side of the POI. Further, it may well be not even necessary.<sup>63</sup> Most Class 4 tandem switches today have DS3 trunk port interfaces and DS1 interfaces are almost universal.<sup>64</sup> It is unnecessary to de-multiplex down to the DS0 level to get to the termination on the tandem trunk port when it is not technically necessary.<sup>65</sup> Halo cannot

<sup>58</sup> Id.

<sup>&</sup>lt;sup>59</sup> Id.

<sup>&</sup>lt;sup>60</sup> Id.

<sup>&</sup>lt;sup>61</sup> *Id*.

<sup>&</sup>lt;sup>62</sup> See Wiseman Direct Testimony, pg. 37.

<sup>&</sup>lt;sup>63</sup> *Id*.

<sup>&</sup>lt;sup>64</sup> *Id*.

<sup>&</sup>lt;sup>65</sup> *Id*.

understand why AT&T thinks we should pay for it. Regardless, the fact is that the DS1/DS0 multiplexing is occurring on AT&T's side of the POI.<sup>66</sup>

Simply put, AT&T is attempting to shift cost responsibility for what it calls "facilities" to Halo when the ICA assigns responsibility to AT&T because the "facilities" are all on AT&T's side of the POI. AT&T's billings for the cross-connects, DS3/DS1 multiplexing and the DS1/DS0 multiplexing that Halo has disputed are incorrect and not supported by the ICA.

#### F. CONCLUSION

AT&T comes before the TRA ignoring the ESP Rulings (to which AT&T was a party) and insisting that Halo is engaging in an "access charge avoidance scheme" by relying on the ESP Rulings in formulating its business model. It was and is eminently reasonable for Halo to rely on these decisions as the basis for its position and business model. No law has changed since they were issued. No court has held to the contrary. The FCC has not held to the contrary. Because Halo was reasonable in relying on the ESP Rulings and based on the other arguments presented above, the TRA should deny AT&T the relief requested in its Complaint.

Dated this 6th day of January, 2012.

<sup>&</sup>lt;sup>66</sup> Id.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing *Pre-Hearing Memorandum* was served via certified mail, return receipt requested, on the following counsel of record on this the 6<sup>th</sup> day of January, 2012:

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