

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing an Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109
)	
Universal Service Reform – Mobility Fund)	WT Docket No. 10-208

EMERGENCY REQUEST FOR EXPEDITED TREATMENT

**PETITION OF HILL COUNTRY TELEPHONE COOPERATIVE, INC. AND
SOUTHWEST TEXAS TELEPHONE COMPANY
FOR LIMITED WAIVER OF 47 C.F.R. § 51.917(c)**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission (“FCC” or “Commission”),¹ Hill Country Telephone Cooperative, Inc. (“Hill Country”) and Southwest Texas Telephone Company (“Southwest Texas”) (jointly referred to herein as “Petitioners”) hereby request a limited waiver of 47 C.F.R. Section 51.917(c).² As explained herein, Petitioners

¹ 47 C.F.R. § 1.3.

² *Id.* at 51.917(c).

seek to include amounts owed by Halo Wireless, Inc. (“Halo”) in Fiscal Year 2011 (FY 2011)³ in the Petitioners’ Carrier Base Period Revenues (“BPR”). Exclusion of the amounts owed to Petitioners in the BPR has a significant adverse impact on the Petitioners’ recovery mechanism funding, which in turn has challenged Petitioners by limiting their ability to invest in and improve their networks. Petitioners seek to include these amounts, which were billed to Halo but not collected by March 31, 2012, in the BPR effective July 1, 2012. The Commission has good cause to grant the Petitioners’ request, and furthermore grant of this waiver is squarely in the public interest and is the appropriate course of action to meet the objectives of the November 2011 *USF/ICC Transformation Order*. Likewise, the Petitioners’ requested relief herein is similar to the relief that the FCC recently granted, with conditions, for another similarly situated group of providers.⁴ The Petitioners respectfully request emergency expedited attention to this matter.

I. BACKGROUND

Both Petitioners are rural incumbent local exchange carriers (“RLEC”) operating within rural areas of Texas. While the Petitioners vary somewhat in size, they both provide high quality voice and broadband telecommunications services to their customers and are both providers of last resort throughout their designated study areas in Texas. Collectively, the Petitioners have been deprived of nearly \$120,000 that would have been included in their annual BPR but for Halo’s access avoidance efforts and subsequent bankruptcy.

Hill Country Telephone Cooperative, Inc. is headquartered in Ingram, Texas and has been providing local exchange services since the early 1950s. Hill Country provides voice service to approximately 14,000 and broadband service to approximately 6,000 of its members/owners

³ Defined as October 1, 2010 to September 30, 2011.

⁴ See *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Order, FCC 14-121 (rel. Aug. 7, 2014) (“*TDS Waiver Order*”).

throughout 15 exchanges in 14 different Texas counties comprising over 2,900 square miles of rugged Texas hill country terrain with just under 5 customers per square mile.

Hill Country's terrain consists of tall rugged hills with thin layers of soil atop limestone or granite, and the land is predominately utilized for ranching. The region is very dry and prone to flash flooding due to the rocky surface and steep canyons. Hill Country's service territory includes portions of the Edwards Plateau with several rivers originating in the area.

As further addressed below, Hill Country requests a BPR adjustment of \$81,843.48 associated with billed, but not collected, intrastate access and net reciprocal compensation revenues for services provided to Halo Wireless during FY 2011.

Southwest Texas Telephone Company, located south of Hill Country's service area, is one of the oldest telephone companies in the nation and has been providing telecommunications services in Rocksprings, Texas since 1898. Today, Southwest Texas provides voice services to approximately 3,700 access lines in 3,675 square miles of rugged Texas hill country area with approximately 1.2 access lines per square mile. Southwest Texas provides telecommunications and broadband services with approximately 1,800 broadband customers located throughout its six exchanges west of San Antonio and near the border between the United States and Mexico.

Through this waiver application, Southwest Texas requests a BPR adjustment of \$37,569.13 associated with billed, but not collected, intrastate access and net reciprocal compensation revenues for services provided to Halo Wireless during FY 2011.

Both Petitioners serve high-cost, rural, remote, and challenging areas of the country—from low-income areas to vast stretches of land near the U.S.-Mexico border in regions with extremely rugged terrain. The Petitioners strive to deliver modern and reliable communications services to customers that would likely have no (or very few) alternative providers. The Petitioners rely on

predictable and sufficient Universal Service Fund (“USF”) support and intercarrier compensation (“ICC”) mechanisms to deliver quality voice and data services at reasonable costs to consumers. Given the Petitioners remote and challenging service areas, predictable and sufficient support is imperative to their ability to continue providing quality services at reasonable costs—the series of events described herein undermines and frustrates their mission.

These unfortunate Halo-related events led to the Petitioners’ decision to file this Petition and seek relief from the adverse impact on their recovery funding mechanism caused by the uncollected intrastate amounts owed to them by Halo. The events described below have produced a recurring penalty for the Petitioners, as they will never receive the amounts owed by Halo *and* the negative annual impact on the Petitioners’ recovery mechanism funding puts them in a precarious position where seeking relief from the Commission is the only viable option left at this point. Petitioners were victims of Halo’s access arbitrage scheme, the impact of which is further amplified by their inability to include the amounts billed to Halo in their Base Period Revenues, leaving them deprived of both the intrastate revenue that they should have collected from Halo and fairly assessed recovery mechanism funding going forward. Petitioners have no choice but to accept the loss attributed to the uncollected revenue and the significant expense associated with attempting to collect these revenues, but herein they are utilizing the Commission’s waiver process to seek fairly assessed recovery mechanism funding so that the damage caused by Halo’s unpaid intrastate intercarrier compensation charges does not reoccur every year, consistent with a recent decision by the Commission related to similarly situated providers.⁵

The Petitioners initially began terminating Halo’s traffic around August of 2010, and then began billing Halo for terminating intrastate access traffic pursuant to the rates, terms and

⁵ See *TDS Waiver Order*.

conditions set forth in the applicable intrastate access tariffs.⁶ Petitioners also sought to interconnect with Halo pursuant to the applicable interconnection rules between ILECs and Commercial Mobile Radio Service (“CMRS”) providers. Halo subsequently refused to pay all intercarrier compensation charges to every Petitioner.⁷ Halo erroneously argued that because it was a CMRS provider, all of its traffic delivered to the Petitioners was intraMTA CMRS and that no compensation was due for transport and termination of its traffic, which resulted in numerous disputes with ILECs that have been documented extensively in FCC and various state commission proceedings. In the *USF/ICC Transformation Order*, the FCC rejected Halo’s claim that its traffic was intraMTA CMRS, stating “[w]e clarify that a call is considered to be originated by a CMRS provider for purposes of the intraMTA rule only if the calling party initiating the call has done so through a CMRS provider;” and “we agree with NECA that the ‘re-origination’ of a call over a wireless link in the middle of the call path does not convert a wireline-originated call into a CMRS-originated call for the purposes of reciprocal compensation and we disagree with Halo’s contrary position.”⁸

The Petitioners pursued complaint cases before the Public Utility Commission of Texas (“Texas Commission”) under state law and arbitration cases under federal law against Halo in an effort to stop Halo’s arbitrage scheme in the spring and summer of 2011. The Texas Commission

⁶ As further addressed below, Petitioners requested BPR adjustments are limited to billed, but not collected, revenues for FY 2011.

⁷ Each Petitioner participated in an arbitration proceeding against Halo before the Public Utility Commission of Texas and presented evidence regarding Halo’s terminating usage and the appropriate intercarrier compensation due for such traffic. See *Petition of Eastex Telephone Cooperative, Inc. for Compulsory Arbitration with Halo Wireless, Inc. Under the Federal Telecommunications Act Relating to Interconnection Rates, Terms and Conditions*, Docket No. 40032 (Consolidated), Arbitration Award, (Sept. 25, 2012) (“*Texas Arbitration*”).

⁸ See *Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) (“*USF/ICC Transformation Order*”), *pets. for review denied, Direct Comm. Cedar Valley, et al v. FCC 11-161*, No. 11-9900 www.ca10.uscourts.gov/opinions/11/11-9900.pdf (10th Cir. filed May 23, 2014).

consolidated those arbitration cases for purposes of hearing. However, before all of the rural ILECs were able to file for arbitration due to the arbitration window under Federal Telecommunications Act of 1996 (“FTA”) Section 252, Halo filed for bankruptcy on August 8, 2011 thereby temporarily staying all regulatory proceedings against Halo until the bankruptcy court was able to hear arguments and ultimately lift the stay. Halo also sought to delay resolution of the cases pending before the Texas Commission by requesting stays in both federal and district court, including an appeal to the 5th Circuit Court of Appeals, all of which were ultimately denied, but were time and resource intensive amplifying the hardship on the Petitioners through increased legal fees and regulatory costs. In the spring of 2012, after Halo had exhausted its avenues for judicial delays, the Texas Commission was finally able to hold a hearing on the merits and testimony was presented in the pending arbitration cases. In September of 2012, a final Arbitration Award was released resolving the arbitration cases including the forward-looking interconnection agreements, but Halo had been forced from Chapter 11 to Chapter 7 bankruptcy and the Texas Commission dismissed the *Texas Arbitration* case because, at that point, Halo had ceased operations and its assets were being liquidated, negating the need for a forward-looking final interconnection agreement between the parties.

To further aggravate the difficulties in collecting billed intercarrier compensation fees from Halo, it appears that Halo’s estate lacks assets to pay the amounts owed to the Petitioners that were harmed. While the Petitioners have both filed pre-petition and post-petition administrative claims in bankruptcy court,⁹ they cannot simply get in line and wait for a reasonable settlement because the Commission required that all revenues included in calculating Base Period Revenue had to be

⁹ See generally Claims Register, *In re: Halo Wireless, Inc.*, Case No. 11-42464, Bkrcty. E.D. Tex. (converted July 19, 2012) (including pre-petition claims and administrative expense (post-petition) claims filed by Hill Country and Southwest Texas).

collected before March 31, 2012. Accordingly, the negative revenue impact associated with Halo's unpaid debt has ultimately created an unfair annual revenue hit for each of the Petitioners. The Petitioners have no alternative recourse but to seek waivers from the Commission, and as explained below, the Commission has good cause to grant these waivers. Additionally, consistent with the Commission's decision in the *TDS Waiver Order*, the Petitioners meet the requisite conditions in order to make the necessary BRP adjustments, as further outlined below.

II. GOOD CAUSE EXISTS TO GRANT PETITIONERS' REQUESTED WAIVER

In general, the FCC's rules may be waived for good cause shown.¹⁰ Waiver is appropriate where the "particular facts would make strict compliance inconsistent with the public interest."¹¹ The FCC may grant a waiver of its rules where the requested relief would not undermine the policy objective of the rule in question, special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.¹²

The Commission anticipated that there would be circumstances similar to this where revenues associated with FY 2011 were not able to be collected by March 31, 2012 and allowed for a waiver of the March 31, 2012 deadline in its USF-ICC Transformation Order.¹³ Specifically, the Commission stated:

Carriers may, however, request a waiver of our rules defining the Baseline to account for revenues billed for terminating switched access service or reciprocal compensation provided in FY2011 but recovered after the March 31, 2012 cut-off as the result of the decision of a court or regulatory agency of competent jurisdiction. The adjusted Baseline will not include settlements regarding changes

¹⁰ 47 C.F.R. § 1.3.

¹¹ See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*").

¹² See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

¹³ See *USF/ICC Transformation Order* at footnote 1745.

after the March 31, 2012 cut-off, and any carrier requesting such modifications to its Baseline shall, in addition to otherwise satisfying the waiver criteria, have the burden of demonstrating that the revenues are not already in its Baseline, including providing a certification to the Commission to that effect. Any request for a waiver should also include a copy of the decision requiring payment of the disputed intercarrier compensation. Any such waiver would be subject to the Commission's traditional "good cause" waiver standard, rather than the Total Cost Earnings Review specified below.

The overall purpose of this waiver petition is consistent as it would allow the Petitioners to include revenues associated with FY 2011 that were billed but not collected due to Halo's deliberate access avoidance scheme (including Halo's bankruptcy) which were beyond the Petitioners' control, as outlined above.

Petitioners' argument for good cause is furthermore supported by other similar pending and decided waiver petitions by other ILECs that claim to be facing undue hardship as a result of Halo's deliberate attempts to avoid complying with the applicable rules for intercarrier compensation as well as the Commission's recent decision in the *TDS Waiver Order*. TDS Telecommunications Corp. ("TDS Telecom") filed a petition for a limited waiver "to permit TDS Telecom to include within its Base Period Revenues unpaid amounts billed to Halo for intrastate usage during FY 2011, thereby rendering those amounts eligible for recovery pursuant to the Commission's eligible recovery mechanism."¹⁴ Like each of the Petitioners, TDS Telecom did not expect to collect the amounts it billed to Halo as a result of Halo's bankruptcy and subsequent liquidation of assets. TDS asserted that "fundamental fairness and the public interest dictate that the Commission waive its rules in this specific scenario," and the FCC "could not have predicted every permutation through which a carrier such as Halo would develop an elaborate scheme to avoid paying access charges in a way that would have such potential long-term revenue

¹⁴ See Petition of TDS Telecommunications Corp. for Limited Waiver of 47 C.F.R. § 51.917(c), WC Docket No. 10-90 *et al.* (filed Aug. 10, 2012) ("*TDS Petition*") at 2.

ramifications...due to the nature of the eligible recovery mechanism.”¹⁵ The Petitioners echo these statements and emphasize that the loss created by Halo’s refusal to pay applicable intercarrier compensation charges unfortunately occurred at a time when the FCC was making monumental changes to the USF and ICC mechanisms and therefore constitute good cause in favor of granting Petitioners’ requested relief.

Likewise, three small Oklahoma ILECs (Cimarron Telephone Company, Cross Telephone Company, and Pottawatomie Telephone Company) filed a similar petition, arguing that “Halo’s scam distorts the 2011 Base Period Revenue rules’ impact on the Petitioners, cutting their future support and crippling their network investment,” and insisting that “the statutory goal of universal service—promoting and assuring the availability of quality services at just, reasonable, and affordable rates in rural areas—will be significantly compromised by strict adherence to the 2011 Base Period Revenue rules.”¹⁶ Like these Petitioners in Texas, the three Oklahoma ILECs were seeking relief from the Commission as there are no alternatives for reversing the financial damages caused by the Halo’ deliberate acts. The Petitioners agree with the Oklahoma ILECs that “Excluding the lost revenues unfairly penalizes Petitioners for the sole reason that they had the misfortune of being subject to an arbitrage scam that coincided with the 2011 Base Period.”¹⁷ Additionally, the Petitioners are aware that other Texas ILECs who participated in the arbitration cases against Halo at the Texas Commission alongside of the Petitioners have sought similar relief based on the Texas Commission’s arbitration award.¹⁸ The United States Telecom Association

¹⁵ *Id.* at pg. 3-4 and 12.

¹⁶ *See* Petition of Cimarron Telephone Company, Cross Telephone Company, and Pottawatomie Telephone Company for Limited Waiver of 47 C.F.R. § 51.917(c), WC Docket No. 10-90 *et al.* (filed Nov. 19, 2012) (“*Oklahoma ILEC Petition*”) at iv.

¹⁷ *Id.* at 9.

¹⁸ *See* Petition of Guadalupe Valley Telephone Cooperative, Inc. for Limited Waiver of 47 C.F.R. § 51.917(c), WC Docket No. 10-90 *et al.* (filed March 6, 2014) (“*GVTC Petition*”).

(“USTelecom”) filed comments in support of the Oklahoma ILECs wherein USTelecom states that “the Petitioners and *all other similarly situated carriers* should be able to include the 2011 ICC payments Halo owes in their Eligible Recovery baseline revenues” (emphasis added).¹⁹

In conditionally granting both TDS Telecom and Oklahoma ILECs’ petitions, the Commission found that “[a]bsent such waivers, the unique combination of Halo’s alleged ‘re-origination’ of intrastate access traffic as CMRS-originated traffic, Halo’s refusal to pay access charges for that traffic, and Halo’s subsequent bankruptcy and corporate liquidation would result in significant reductions to Petitioners ICC recovery mechanism revenues. Further, as described below, this impact on recovery amounts would continue far into the future, such that Petitioners would suffer ongoing harm because of Halo’s behavior, without some form of Commission action.”²⁰

The loss imposed on Petitioners by the combined effects of Halo’s unpaid intrastate access and net reciprocal compensation charges and the prospect of basing all future years’ recovery mechanism funding on a lower amount than it should be based upon is indeed real. Grant of this waiver is in the public interest. The Base Period Revenue is a critical starting point to calculate Eligible Recovery and is part of the transitional recovery mechanism established by the Commission expressly to mitigate the impact of *USF/ICC Transformation Order* on carrier revenues and investments. Grant of this limited waiver would allow the initial calculation of Eligible Recovery to accurately represent the Petitioners’ FY 2011 Base Period Revenues. Further, grant of the limited waiver would serve the public interest in that the Petitioners would be able to continue to provide high quality telecommunications services to their customers consistent with

¹⁹ See Comments of the United States Telecom Association WC Docket No. 10-90 *et al.* (filed Jan. 2, 2013) (“USTelecom Comments”) at 1.

²⁰ See *TDS Waiver Order* at 4.

the FCC's National Broadband Plan, USF Reform, and IP Transition goals while having the benefit of the transitional recovery mechanism to the full extent intended by the Commission.

III. TDS WAIVER ORDER CONDITIONS

In granting TDS Telecom and the Oklahoma ILECs' similar waiver petitions, the Commission implemented steps to ensure that providers had diligently pursued recovery of unpaid revenues from Halo by conditionally granting the requested waivers. Specifically, the Commission found that:

Prior to implementation of the relief granted in this Order, each petitioner must certify that: (1) it terminated all intrastate access traffic sent to it by Halo during FY 2011 that it seeks to add to its BPR calculations; (2) it billed Halo intrastate access charges for such traffic during FY 2011; (3) a court or regulatory agency of competent jurisdiction has made a finding of liability regarding the compensation for such traffic; (4) it filed a timely claim in the Halo bankruptcy case requesting compensation for such traffic; and (5) it did not include in its BPR adjustment amounts any interest, late payment fees, collection fees, or attorney fees. In addition, any BPR adjustment for a study area resulting from this Order shall not exceed the intrastate access portion of a Petitioner's bankruptcy claim for that study area.²¹

The Petitioners meet each of the above conditions. As mentioned previously, the Petitioners were parties to a highly-contested joint arbitration case before the Texas Commission involving Halo. In the *Texas Arbitration*, the Petitioners and other Texas ILECs sought Commission-approved interconnection agreements to establish the prospective rates, terms, and conditions for interconnection and traffic exchange with Halo, but they also sought Texas Commission approval of amounts due associated with traffic exchanged prior to the effective date of any approved interconnection agreement. The Petitioners filed for arbitration against Halo when the arbitration window opened under FTA Section 252 and after extensive efforts to voluntarily negotiate an interconnection agreement with Halo, including mediation efforts

²¹ *Id.* at 5.

involving Texas Commission staff.²² After a twelve-month arbitration proceeding and after the Commission arbitration team issued its Arbitration Award, the Texas Commission dismissed the *Texas Arbitration* because Halo's bankruptcy had been converted to a Chapter 7 liquidation and there was no longer any need for a prospective interconnection agreement between the parties. However, in a parallel proceeding in which the small ILECs in Texas filed a complaint against Halo for violations of state law and state-approved tariffs, the Texas Commission resolved claims dealing with the issue of uncompensated intrastate Halo traffic and found Halo liable to the small ILECs.²³ The Texas Commission concluded that "[t]he constructive ordering doctrine applies to Halo's use of Complainants' switched access services to terminate its interexchange traffic. Under this doctrine, Halo is deemed to have ordered the switched access services it receives from Complainants and is bound by the terms of the Complainants' access services tariffs."²⁴

Additionally, each of the Petitioners have billed Halo for its traffic and both are creditors in the Halo bankruptcy proceeding. The intrastate amounts that Halo owes for FY 2011 as contained in the Petitioners' claims on file with the bankruptcy court is reflected below and includes both intrastate switched access rates for Halo's intrastate interexchange traffic, but it also includes a small amount of net reciprocal compensation revenues associated with Halo's local traffic.²⁵ Accordingly, the Petitioners urge the FCC to grant this petition and apply the precedent

²³ *Complaint of Alenco Communications, Inc., Big Bend Telephone Company, Inc., Eastex Telephone Cooperative, Inc., Guadalupe Valley Telephone Cooperative, Inc., Hill Country Telephone Cooperative, Inc., Industry Telephone Company, Livingston Telephone Company, Nortex Communications, and Peoples Telephone Cooperative, Inc. Against Halo Wireless, Inc. and Southwestern Bell Telephone Company d/b/a AT&T Texas and Request for Summons to Show Cause Why Service to Halo Should Not Be Disconnected*, Docket No. 40147, Final Order, (March 1, 2013) ("*Texas Complaint*").

²⁴ *Id.* at COL 3.

²⁵ Hill Country had the technical capability of capturing SS7 call detail information on Halo's traffic and was thus able to jurisdictionalize traffic for its pre-petition proof of claim. Southwest Texas did not have this technical capability and therefore applied jurisdictional factors from its approved state tariffs in order to derive jurisdiction information for Halo's traffic for its pre-petition proof of claim. Subsequent to the "bar date" for filing pre-petition

that was established in the *TDS Waiver Order* with the inclusion of reciprocal compensation as requested in the ex parte presentation filed by GVTC to allow for the inclusion of reciprocal compensation.²⁶ The BPR adjustments outlined below exclude all interstate switched access charges and do not contain any interest, late payment fees, collection fees, or attorney fees.

IV. REQUESTED RELIEF

For the reasons stated above, pursuant to Section 1.3 of the Commission's rule, Petitioners hereby respectfully requests that the Commission include the following amounts in their Base Period Revenue.

<u>Petitioner</u>	<u>Base Period Revenue Adjustment</u>
Hill Country Telephone Cooperative, Inc.	\$81,843.48
Southwest Texas Telephone Company	\$37,569.13

Petitioners requests that these amounts be included retroactively in the Base Period Revenue effective as of July 1, 2012. The Petitioners have shown good cause for the Commission to grant this limited waiver, and urges the Commission to expeditiously address the petition.

Respectfully submitted,

/s/ Delbert Wilson

Delbert Wilson
Chief Executive Officer
Hill Country Telephone Cooperative, Inc.
220 Carolyn
Ingram, Texas 78025
Phone: 830-367-5333

claims and through the discovery process in the *Texas Arbitration*, Southwest Texas was able to gain access to twelve months of Halo's originating call records, which formed the basis of Southwest Texas' post-petition administrative claims that include a small amount of reciprocal compensation for local traffic.

²⁶ See Ex Parte of Guadalupe Valley Telephone Cooperative, Inc. in *GVTC Petition* (filed Sept. 11, 2014).

/s/ Gary Gilmer

Gary Gilmer
President
Southwest Texas Telephone Company
979 S. Texas Hwy. 55
Rock Springs, Texas 78880
Phone: 830-683-2111

Filed November 10th, 2014

Attachments

AFFIDAVIT OF WESLEY ROBINSON

STATE OF TEXAS

§

COUNTY OF TRAVIS

§

§

BEFORE ME, the undersigned authority on this 6th day of November, 2014, personally appeared Wesley Robinson, who being by me duly sworn on oath deposed and said:

1. My name is Wesley Robinson and I am employed by JSI as a Manager of Regulatory Affairs. In my position with JSI, I was engaged by a group of small rural Incumbent Local Exchange Carriers (“ILECs”) to attempt to negotiate interconnection agreements with Halo Wireless, Inc. (“Halo”) and was later engaged to testify as an expert witness before the Public Utility Commission of Texas (“PUCT”) in an arbitration case between Halo and this group of small ILECs.¹
2. I am over 18 years of age and authorized to make the statements herein.
3. The facts stated in the foregoing Petition of Hill Country Telephone Cooperative, Inc. and Southwest Texas Telephone Company (jointly referred to herein as “Petitioners”) for Limited Waiver of 47 C.F.R. § 51.917(c) are true and correct. Specifically, the attached calculations accurately reflect the proper jurisdictionalization of Halo’s terminating minutes of use and the proper application of rates as determined by the PUCT’s Arbitration Award in Docket No. 40032 (consolidated) and as reflected in each Petitioners’ claims before the Bankruptcy Court for Halo’s traffic terminated by Petitioners between October 1, 2010 and September 30, 2011.²

¹ *Petition of Eastex Telephone Cooperative, Inc. for Compulsory Arbitration with Halo Wireless, Inc. Under the Federal Telecommunications Act Relating to Interconnection Rates, Terms and Conditions*, Docket No. 40032 (Consolidated), Arbitration Award, (Sept. 25, 2012).

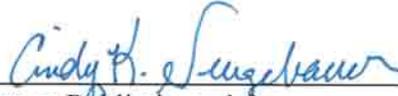
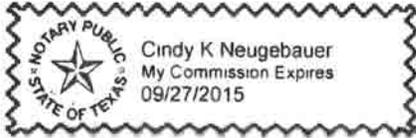
² *See generally* Claims Register, *In re: Halo Wireless, Inc.*, Case No. 11-42464, Bkrcty. E.D. Tex. (converted July 19, 2012) (including pre-petition claims and administrative expense (post-petition) claims filed by Hill Country and Southwest Texas).

FURTHER AFFIANT SAYETH NOT.



Wesley Robinson, Manager – Regulatory Affairs

SUBSCRIBED AND SWORN TO BEFORE ME on this 6th day of November 2014, to certify which witness my hand and seal of office.



Notary Public in and for
the State of Texas

Hill Country Telephone Cooperative, Inc.

Month	MOUs			Composite Rates			Revenues			
	Local	Intrastate	Interstate	Local	Intrastate	Interstate	Local	Intrastate	Interstate	Total
Oct-10	0	241,259	238,953	0.00807	0.03473	0.03908	\$0.00	\$8,378.93	\$9,338.28	\$17,717.21
Nov-10	0	294,890	292,074	0.00807	0.03473	0.03908	\$0.00	\$10,241.53	\$11,414.25	\$21,655.78
Dec-10	0	250,329	247,938	0.00807	0.03473	0.03908	\$0.00	\$8,693.93	\$9,689.42	\$18,383.34
Jan-11	0	233,426	231,195	0.00807	0.03473	0.03908	\$0.00	\$8,106.88	\$9,035.10	\$17,141.99
Feb-11	0	195,075	193,212	0.00807	0.03473	0.03908	\$0.00	\$6,774.95	\$7,550.72	\$14,325.68
Mar-11	0	20,988	20,787	0.00807	0.03473	0.03908	\$0.00	\$728.91	\$812.36	\$1,541.27
Apr-11	63,746	53,376	52,866	0.00807	0.03473	0.03908	\$514.43	\$1,853.75	\$2,066.00	\$4,434.18
May-11	196,822	164,806	163,231	0.00807	0.03473	0.03908	\$1,588.35	\$5,723.71	\$6,379.07	\$13,691.13
Jun-11	188,917	158,186	156,675	0.00807	0.03473	0.03908	\$1,524.56	\$5,493.80	\$6,122.86	\$13,141.22
Jul-11	116,675	97,696	96,762	0.00807	0.03473	0.03908	\$941.57	\$3,392.98	\$3,781.46	\$8,116.01
8/8/2011 (pre)	94,271	78,936	78,181	0.00807	0.03473	0.03908	\$760.77	\$2,741.45	\$3,055.31	\$6,557.53
8/9/2011 (post)	171,816	125,984	146,961	0.00828	0.03473	0.03841	\$1,422.93	\$4,375.30	\$5,645.41	\$11,443.64
Sep-11	280,163	180,382	250,972	0.00828	0.03473	0.03841	\$2,320.22	\$6,264.53	\$9,640.85	\$18,225.60

\$9,072.83 \$72,770.65 \$84,531.10 \$166,374.58

Total Eligible Recovery Amount (Local + Intrastate)

\$81,843.48

Southwest Texas Telephone Company

Month	MOUs			Composite Rates			Revenues			Total
	Local	Intrastate	Interstate	Local	Intrastate	Interstate	Local	Intrastate	Interstate	
Oct-10		69,415	69,415		0.0457406	0.038616	\$0.00	\$3,175.08	\$2,680.53	\$5,855.61
Nov-10		91,810	91,810		0.0457406	0.038616	\$0.00	\$4,199.44	\$3,545.33	\$7,744.78
Dec-10		59,953	59,953		0.0457406	0.038616	\$0.00	\$2,742.26	\$2,315.13	\$5,057.38
Jan-11		50,637	50,637		0.0457406	0.038616	\$0.00	\$2,316.14	\$1,955.38	\$4,271.52
Feb-11		32,938	32,938		0.0457406	0.038616	\$0.00	\$1,506.60	\$1,271.93	\$2,778.54
Mar-11		59,258	59,258		0.0457406	0.038616	\$0.00	\$2,710.49	\$2,288.31	\$4,998.79
Apr-11		76,499	76,499		0.0457406	0.038616	\$0.00	\$3,499.11	\$2,954.09	\$6,453.20
May-11		101,096	101,096		0.0457406	0.038616	\$0.00	\$4,624.16	\$3,903.90	\$8,528.06
Jun-11		61,453	61,453		0.0457406	0.038616	\$0.00	\$2,810.87	\$2,373.05	\$5,183.92
Jul-11		61,091	61,091		0.0457406	0.056018	\$0.00	\$2,794.31	\$3,422.17	\$6,216.47
8/1/2011 (pre)		0	0		0.0457406	0.038616	\$0.00	\$0.00	\$0.00	\$0.00
8/11/2011 (post)	40,513	57,101	58,257	0.00908	0.0457406	0.055058	\$367.86	\$2,611.83	\$3,207.51	\$6,187.20
Sep-11	75,956	76,984	93,571	0.00908	0.0457406	0.055058	\$689.68	\$3,521.30	\$5,151.83	\$9,362.81

\$1,057.54 \$36,511.59 \$35,069.15 \$72,638.28

Total Eligible Recovery Amount (Local + Intrastate) \$37,569.13