

are for the Court to reach. AT&T denies all remaining allegations in paragraph 17 of the Complaint.

18. To the extent the allegations in paragraph 18 of the Complaint purport to characterize rules, regulations and orders of the FCC, AT&T respectfully refers the Court to such rules, regulations and orders of the FCC for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 18 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 18 of the Complaint.

19. To the extent the allegations in paragraph 19 of the Complaint purport to characterize rules, regulations and orders of the FCC, AT&T respectfully refers the Court to such rules, regulations and orders of the FCC for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 19 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 19 of the Complaint.

20. To the extent the allegations in paragraph 20 state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T admits that the IUB does not prescribe the access rates for CLECs. AT&T denies all remaining allegations in paragraph 20 of the Complaint.

21. AT&T admits that Great Lakes has purported to concur in a tariff maintained by the Iowa Telecommunications Association ("ITA"). AT&T lacks knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 21 of the

Complaint that such conduct is a common practice in Iowa, that the ITA boasts 153 incumbent and competitive telecommunications carriers within Iowa as active members, that many of these 153 members has concurred in the ITA tariff, and that the ITA tariff has been effective in Iowa since the 1980s. and therefore AT&T denies such allegations. To the extent the allegations in paragraph 21 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 21 of the Complaint.

22. To the extent the allegations in paragraph 22 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T lacks knowledge or information sufficient to form a belief as to the remaining allegations of paragraph 22 of the Complaint.

23. To the extent the allegations in paragraph 23 of the Complaint purport to characterize decisions of federal courts, AT&T respectfully refers the Court to those decisions for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 23 of the Complaint state conclusions of law. AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 23 of the Complaint.

24. To the extent the allegations in paragraph 24 of the Complaint purport to characterize decisions of federal courts, AT&T respectfully refers the Court to those decisions for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 24 of the Complaint state conclusions of law. AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 24 of the Complaint.

25. To the extent the allegations in paragraph 25 of the Complaint purport to characterize rules, regulations, or decision of the FCC, AT&T respectfully refers the Court to such rules, regulations, or decisions for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 25 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 25 of the Complaint.

26. To the extent the allegations in paragraph 26 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T lacks knowledge or information sufficient to form a belief as to the remaining allegations of paragraph 26 of the Complaint.

27. AT&T denies the allegations of paragraph 27 of the Complaint.

28. AT&T admits that it stopped paying for MGC Communications, Inc.'s ("MGC") access services, which were priced at 8.5 cents per minute, a rate that the FCC later found to be unjust and unreasonable. AT&T admits that MGC filed a formal complaint against AT&T at the FCC. AT&T admits that a dispute relating to access charges existed between AT&T and MGC, and that prior to the dispute AT&T had paid amounts to MGC for services purportedly provided to AT&T. AT&T denies all remaining allegations in paragraph 28 of the Complaint.

29. To the extent the allegations in paragraph 29 of the Complaint purport to characterize rules, regulations, or orders of the FCC, AT&T respectfully refers the Court to such rules, regulations or orders for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 29 of the

Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 29 of the Complaint.

30. AT&T admits that it sought reconsideration of the Common Carrier Bureau's decision. To the extent the allegations in paragraph 30 of the Complaint purport to characterize rules, regulations, or orders of the FCC, AT&T respectfully refers the Court to such rules, regulations and orders for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 30 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 30 of the Complaint.

31. AT&T admits that it litigated a number of access charge disputes in federal courts in the years 1998 through 2001. To the extent the allegations in paragraph 31 of the Complaint purport to characterize rules, regulations, or orders of the FCC, AT&T respectfully refers the Court to such rules, regulations, and orders for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 31 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 31 of the Complaint.

32. To the extent the allegations in paragraph 32 of the Complaint purport to characterize court decisions, AT&T respectfully refers the Court to such decisions for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 32 of the Complaint state conclusions of law, AT&T

denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 32 of the Complaint.

33. To the extent the allegations in paragraph 33 of the Complaint purport to characterize a court decision, AT&T respectfully refers the Court to that decision for an accurate and complete statement of its contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 33 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 33 of the Complaint.

34. To the extent the allegations in paragraph 34 of the Complaint purport to characterize rules, regulations, or orders of the FCC, AT&T respectfully refers the Court to such rules, regulations, and orders for an accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 34 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 34 of the Complaint.

35. AT&T admits that all of the competitive local exchange carriers ("CLECs") that were plaintiffs in the court actions in the Federal District Courts of the District of Columbia and the Eastern District of Virginia settled with AT&T. AT&T lacks knowledge or information sufficient to form a belief as to the remainder of paragraph 35 of the Complaint, and therefore AT&T denies all remaining allegations in paragraph 35 of the Complaint.

36. To the extent the allegations in paragraph 36 of the Complaint purport to characterize a federal court decision or a provision of the Communications Act, AT&T respectfully refers the Court to that decisions and provisions of the Communications Act for an

accurate and complete statement of their contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 36 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 36 of the Complaint.

37. To the extent the allegations in paragraph 37 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 37 of the Complaint.

38. To the extent the allegations in paragraph 38 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T lacks knowledge or information sufficient to form a belief as to the remaining allegations of paragraph 38 of the Complaint.

39. To the extent the allegations in paragraph 39 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 39 of the Complaint.

40. To the extent the allegations in paragraph 40 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 40 of the Complaint.

41. To the extent the allegations in paragraph 41 of the Complaint purport to characterize Plaintiffs' tariffs, AT&T respectfully refers the Court to such tariffs for an accurate and complete statement of their content, and AT&T denies all inconsistent allegations. AT&T

admits that Plaintiffs have submitted invoices to AT&T that purport to seek payment for access charges. AT&T lacks sufficient information to form a belief as to whether Plaintiffs provided access services. AT&T asserts, however, that Plaintiffs did not provide access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiffs for which Plaintiffs billed AT&T access charges. Plaintiffs improperly treated traffic that was not access traffic as access traffic. AT&T denies all remaining allegations in paragraph 41 of the Complaint.

42. AT&T admits that it has disputed and not paid certain of Plaintiffs' bills. AT&T lacks sufficient information to form a belief as to whether Plaintiffs provided or are providing access services. AT&T asserts, however, that Plaintiffs did not provide access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiffs for which Plaintiffs billed AT&T access charges. Plaintiffs improperly treated traffic that was not access traffic as access traffic. AT&T denies all remaining allegations in paragraph 42 of the Complaint.

43. AT&T admits that All American filed a tariff with the FCC that purports to have become effective on or about July 1, 2005. To the extent the allegations in paragraph 43 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 43 of the Complaint.

44. To the extent that the allegations in paragraph 44 purport to characterize an All American tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T admits that All American has billed AT&T for purported interstate access charges. AT&T lacks

sufficient information to form a belief as to whether All American provided interstate access services. AT&T asserts, however, that All American did not provide interstate access services in connection with the overwhelming majority of AT&T traffic delivered to All American for which All American billed AT&T interstate access charges. All American improperly treated traffic that was not interstate access traffic as interstate access traffic. AT&T denies all remaining allegations in paragraph 44 of the Complaint.

45. AT&T admits that it paid certain of All American's bills. To the extent that the allegations in paragraph 45 purport to characterize an All American tariff, AT&T respectfully refers to the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 45 of the Complaint.

46. AT&T admits that it has disputed and not paid certain of All American's bills. To the extent the allegations in paragraph 46 of the Complaint purport to characterize an All American FCC tariff, AT&T respectfully refers the Court to such tariff for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 46 state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 46 of the Complaint.

47. AT&T lacks knowledge and information sufficient to form a belief as to the allegation that All American sent letters on or about October 2, 2006 and November 10, 2006, and therefore AT&T denies all such allegations. To the extent the allegations in paragraph 47 of the Complaint purport to characterize the content of those letters, AT&T respectfully refers the Court to the letters themselves for an accurate and complete statement of their content, and

AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 47.

48. AT&T denies the allegations of paragraph 48 of the Complaint.

49. AT&T denies the allegations of paragraph 49 of the Complaint.

50. AT&T admits that Chase Com filed a tariff with the FCC that purports to have become effective on or about October 13, 2005. To the extent the allegations in paragraph 50 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 50 of the Complaint.

51. To the extent that the allegations in paragraph 51 purport to characterize a Chase Com tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T admits that Chase Com has billed AT&T for purported interstate access charges. AT&T lacks sufficient information to form a belief as to whether Chase Com provided interstate access services. AT&T asserts, however, that Chase Com did not provide interstate access services in connection with the overwhelming majority of AT&T traffic delivered to Chase Com for which Chase Com billed AT&T interstate access charges. Chase Com improperly treated traffic that was not interstate access traffic as interstate access traffic. AT&T denies all remaining allegations in paragraph 51 of the Complaint.

52. AT&T admits that it has disputed and not paid certain of Chase Com's bills. To the extent the allegations in paragraph 52 of the Complaint purport to characterize a Chase Com FCC tariff, AT&T respectfully refers the Court to such tariff for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent

the allegations in paragraph 52 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 52 of the Complaint.

53. AT&T lacks knowledge and information sufficient to form a belief as to the allegation that Chase Com sent letters on or about October 2, 2006 and November 10, 2006, and therefore AT&T denies all such allegations. To the extent the allegations in paragraph 53 of the Complaint purport to characterize the content of those letters, AT&T respectfully refers the Court to the letters themselves for an accurate and complete statement of their content, and AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 53.

54. AT&T denies the allegations of paragraph 54 of the Complaint.

55. AT&T denies the allegations of paragraph 55 of the Complaint.

56. To the extent the allegations in paragraph 56 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T lacks sufficient information to form a belief as to whether e-Pinnacle filed a tariff with the FCC on or about October 12, 2005 or that such tariff became effective on October 13, 2005, and therefore AT&T denies all such allegations. AT&T denies all remaining allegations in paragraph 56 of the Complaint.

57. To the extent that the allegations in paragraph 57 purport to characterize an e-Pinnacle tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T admits that e-Pinnacle has billed AT&T for purported interstate access charges. AT&T lacks sufficient information to form a belief as to whether e-Pinnacle provided interstate access services. AT&T

asserts, however, that e-Pinnacle did not provide interstate access services in connection with the overwhelming majority of AT&T traffic delivered to e-Pinnacle for which e-Pinnacle billed AT&T interstate access charges. e-Pinnacle improperly treated traffic that was not interstate access traffic as interstate access traffic. AT&T denies all remaining allegations in paragraph 57 of the Complaint.

58. AT&T admits that it paid certain of e-Pinnacle's bills. To the extent that the allegations in paragraph 58 purport to characterize an e-Pinnacle tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 58 of the Complaint.

59. AT&T admits that it has disputed and not paid certain of e-Pinnacle's bills. To the extent the allegations in paragraph 59 of the Complaint purport to characterize an e-Pinnacle FCC tariff, AT&T respectfully refers the Court to such tariff for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 59 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 59 of the Complaint.

60. AT&T lacks knowledge and information sufficient to form a belief as to the allegation that e-Pinnacle sent letters on or about October 2, 2006 and November 10, 2006, and therefore AT&T denies all such allegations. To the extent the allegations in paragraph 60 of the Complaint purport to characterize the content of those letters, AT&T respectfully refers the Court to the letters themselves for an accurate and complete statement of their content, and

AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 60.

61. AT&T denies the allegations of paragraph 61 of the Complaint.

62. AT&T denies the allegations of paragraph 62 of the Complaint.

63. AT&T admits that Great Lakes filed a tariff with the FCC that purports to have become effective on or about September 2, 2005. To the extent the allegations in paragraph 63 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 63 of the Complaint.

64. AT&T lacks sufficient information to form a belief as to whether Great Lakes has a certificate of public interest and necessity granted by the IUB. To the extent the allegations in paragraph 64 of the Complaint purport to characterize a certificate of public interest and necessity, AT&T respectfully refers the Court to that certificate of public interest and necessity for an accurate and complete statement of its contents, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 64 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 64 of the Complaint.

65. AT&T admits that Great Lakes has purported to concur in a tariff maintained by the ITA. To the extent the allegations in paragraph 65 of the Complaint purport to characterize the rules of the IUB and contents of a filed notice, AT&T respectfully refers the Court to the rules of the IUB and such filed notice for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph

65 of the Complaint state conclusions of law. AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 65 of the Complaint.

66. To the extent that the allegations in paragraph 66 of the Complaint purport to characterize a Great Lakes tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 66 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T lacks sufficient information to form a belief as to whether Great Lakes provided intrastate exchange access services. AT&T asserts, however, that Great Lakes did not provide intrastate access services in connection with the overwhelming majority of AT&T traffic delivered to Great Lakes. AT&T denies all remaining allegations in paragraph 66 of the Complaint.

67. To the extent that the allegations in paragraph 67 purport to characterize a Great Lakes tariff, AT&T respectfully refers the Court to such tariffs themselves for an accurate and complete statement of their content, and AT&T denies all inconsistent allegations. AT&T admits that Great Lakes has billed AT&T for purported interstate and intrastate access charges. AT&T lacks sufficient information to form a belief as to whether Great Lakes provided such services. AT&T asserts, however, that Great Lakes did not provide interstate or intrastate access services in connection with the overwhelming majority of AT&T traffic delivered to Great Lakes for which Great Lakes billed AT&T interstate and intrastate access charges. Great Lakes improperly treated traffic that was not interstate or intrastate access traffic as interstate and intrastate access traffic. AT&T denies all remaining allegations in paragraph 67 of the Complaint.

68. AT&T admits that it paid certain of Great Lake's bills. To the extent that the allegations in paragraph 58 purport to characterize a Great Lakes tariff, AT&T respectfully refers the Court to such tariff itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 68 of the Complaint.

69. AT&T admits that it has disputed and not paid certain of Great Lakes' bills. To the extent the allegations in paragraph 69 of the Complaint purport to characterize Great Lakes' FCC tariff or its Iowa state tariff, AT&T respectfully refers the Court to those tariffs for an accurate and complete statement of their content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 69 state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 69 of the Complaint.

70. AT&T lacks knowledge and information sufficient to form a belief as to the allegation that Great Lakes sent letters on or about October 2, 2006 and November 10, 2006, and therefore AT&T denies all such allegations. To the extent the allegations in paragraph 70 of the Complaint purport to characterize the content of those letters, AT&T respectfully refers the Court to the letters themselves for an accurate and complete statement of their content, and AT&T denies all inconsistent allegations. AT&T denies all remaining allegations in paragraph 70.

71. AT&T denies the allegations of paragraph 71 of the Complaint.

72. AT&T denies the allegations of paragraph 72 of the Complaint.

73. AT&T repeats and realleges each and every response set forth in the foregoing paragraphs as if fully set forth herein.

74. AT&T lacks sufficient information to form a belief as to whether Plaintiffs provided interstate access services in connection with any AT&T traffic delivered to Plaintiffs. AT&T asserts, however, that Plaintiffs did not provide interstate access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiffs for which Plaintiffs billed AT&T interstate access charges. To the extent the allegations in paragraph 74 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations of paragraph 74 of the Complaint.

75. AT&T denies the allegations of paragraph 75 of the Complaint.

76. AT&T denies the allegations of paragraph 76 of the Complaint.

77. AT&T repeats and realleges each and every response set forth in the foregoing paragraphs as if fully set forth herein.

78. To the extent the allegations in paragraph 78 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations of paragraph 78 of the Complaint.

79. AT&T denies the allegations of paragraph 79 of the Complaint.

80. To the extent the allegations in paragraph 80 purport to characterize provisions of the Communications Act, AT&T respectfully refers the Court to the Act itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 80 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 80 of the Complaint.

81. AT&T denies the allegations of paragraph 81 of the Complaint.
82. AT&T denies the allegations of paragraph 82 of the Complaint.
83. AT&T denies the allegations of paragraph 83 of the Complaint.
84. AT&T denies the allegations of paragraph 84 of the Complaint.
85. AT&T denies the allegations of paragraph 85 of the Complaint.
86. AT&T repeats and realleges each and every response set forth in the

foregoing paragraphs as if fully set forth herein.

87. To the extent the allegations in paragraph 87 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations of paragraph 87 of the Complaint.

88. AT&T denies the allegations of paragraph 88 of the Complaint.

89. To the extent the allegations in paragraph 89 purport to characterize provisions of the Communications Act, AT&T respectfully refers the Court to the Act itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations. To the extent the allegations in paragraph 89 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations in paragraph 89 of the Complaint.

90. AT&T denies the allegations of paragraph 90 of the Complaint.

91. AT&T denies the allegations of paragraph 91 of the Complaint.

92. AT&T denies the allegations of paragraph 92 of the Complaint.

93. AT&T denies the allegations of paragraph 93 of the Complaint.

94. AT&T repeats and realleges each and every response set forth in the foregoing paragraphs as if fully set forth herein.

95. AT&T lacks sufficient information to form a belief as to whether Plaintiff provided interstate access services in connection with any AT&T traffic delivered to Plaintiff. AT&T asserts, however, that Plaintiff did not provide interstate access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiff for which Plaintiff billed AT&T interstate access charges. To the extent the allegations in paragraph 95 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations of paragraph 95 of the Complaint.

96. AT&T denies the allegations of paragraph 96 of the Complaint.

97. AT&T denies the allegations of paragraph 97 of the Complaint.

98. AT&T repeats and realleges each and every response set forth in the foregoing paragraphs as if fully set forth herein.

99. To the extent the allegations in paragraph 99 of the Complaint state conclusions of law, AT&T denies the allegations and further responds that all conclusions of law are for the Court to reach. AT&T denies all remaining allegations of paragraph 99 of the Complaint.

100. AT&T denies the allegations of paragraph 100 of the Complaint.

101. To the extent the allegations in paragraph 101 purport to characterize provisions of the Iowa Code, AT&T respectfully refers the Court to the Iowa Code itself for an accurate and complete statement of its content, and AT&T denies all inconsistent allegations.

AT&T denies all remaining allegations in paragraph 101 of the Complaint. AT&T denies all remaining allegations in paragraph 101.

102. AT&T denies the allegations of paragraph 102 of the Complaint.

103. AT&T repeats and realleges each and every response set forth in the foregoing paragraphs as if fully set forth herein.

104. AT&T lacks sufficient information to form a belief as to whether Plaintiffs provided access services in connection with any AT&T traffic delivered to Plaintiffs. AT&T asserts, however, that Plaintiffs did not provide access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiffs for which Plaintiffs billed AT&T access charges. AT&T denies all remaining allegations of paragraph 104 of the Complaint.

105. AT&T lacks sufficient information to form a belief as to whether Plaintiffs provided access services in connection with any AT&T traffic delivered to Plaintiffs. AT&T asserts, however, that Plaintiffs did not provide access services in connection with the overwhelming majority of AT&T traffic delivered to Plaintiffs for which Plaintiffs billed AT&T access charges. AT&T denies all remaining allegations of paragraph 105 of the Complaint.

106. AT&T denies the allegations of paragraph 106 of the Complaint.

107. AT&T denies the allegations of paragraph 107 of the Complaint.

DEFENSES

AT&T Corp. asserts the following additional defenses without assuming the burden of proof on such defenses that would otherwise rest on the Plaintiffs and reserves its rights to assert additional defenses when, and if, appropriate.

FIRST DEFENSE

The Complaint fails to state a claim upon which relief may be granted.

SECOND DEFENSE

Plaintiffs' claims are barred in whole or in part by their inequitable conduct and unclean hands.

THIRD DEFENSE

Plaintiffs may not obtain relief under any state or federal tariff because Plaintiffs are in violation of such tariffs.

FOURTH DEFENSE

Plaintiffs' claims for terminating access charges are barred because Plaintiffs did not provide such services.

FIFTH DEFENSE

Plaintiffs' claims are barred because they have engaged in ongoing violations of the Telecommunications Act, including, but not limited to, 47 U.S.C. §§ 201 and 203.

SIXTH DEFENSE

Plaintiffs' claim for quantum meruit is barred because Plaintiffs' purported right to recover proper and lawful access charges, if any, is governed by tariff.

SEVENTH DEFENSE

Plaintiffs' claims are barred because they are compulsory counterclaims, Fed. R. Civ. P. 13(a), that are subject to transfer to the Southern District of Iowa pursuant to 28 U.S.C. § 1404.

EIGHTH DEFENSE

Great Lakes' claims are barred because of its fraudulent conduct which has been set forth with particularity in paragraphs 58-65 of AT&T's counterclaims, which AT&T incorporates by reference.

Wherefore, AT&T requests that the Complaint be dismissed with prejudice, and that the Court enter judgment in its favor and against the Plaintiffs, award AT&T attorneys' fees, costs and expenses, and grant AT&T such further relief as is just and equitable.

AMENDED COUNTERCLAIMS OF AT&T

1. Pursuant to the Court's July 24, 2008 Memorandum & Order, Defendant AT&T Corp. ("AT&T") by its undersigned counsel, Sidley Austin LLP, for its counterclaims against All American, ChaseCom, and e-Pinnacle (collectively "Counterclaim Defendants") states as follows:

NATURE OF THE COUNTERCLAIMS

2. AT&T brings this Counterclaim seeking damages, a declaratory ruling, and other appropriate remedies to redress overcharges for services billed by Counterclaim Defendants to AT&T, purportedly under their filed tariffs, which the Counterclaim Defendants did not actually provide.

3. As described below, Counterclaim Defendants entered into business arrangements with "Free Calling Providers" or "FCPs" whereby the FCPs offered to the public various "free" telephone services – e.g., pornographic chat, conferencing, and international calling – to persons who call telephone numbers controlled by the Counterclaim Defendants. These advertisements generated millions of minutes of calls over AT&T's long-distance network to the advertised telephone numbers. The Counterclaim Defendants then billed AT&T for a service contained in their tariffs called "terminating switched access service" for each minute associated with each such call, and then shared those revenues with the FCPs.

4. As explained below, however, Counterclaim Defendants have not, in fact, provided terminating switched access service under their tariffs to AT&T for such calls. To qualify as terminating switched access service under the Counterclaim Defendants' tariffs, the Counterclaim Defendants must use "common" facilities to "terminate" calls to an "end-user premises" in the local exchange served by the Counterclaim Defendants. On information and belief, the calls at issue here do not satisfy these requirements, and Counterclaim Defendants

thus have not provided the terminating switched access services for which they have billed AT&T.

5. As such, Counterclaim Defendants (i) have violated Section 203 of the Communications Act, 47 U.S.C. § 203, by charging for services in a manner that is inconsistent with their filed tariffs; (ii) have violated Section 201(b) of the Communications Act, 47 U.S.C. § 201(b), by engaging in the unjust and unreasonable practice of charging for services which they did not provide; (iii) have violated Section 201(b) of the Communications Act, 47 U.S.C. § 201(b), by creating “sham” entities solely for the purpose of seeking inflated access charges; (iv) have engaged in fraudulent conduct by billing AT&T for services that they did not provide; (v) have been unjustly enriched by seeking and obtaining charges from AT&T to which they were not and are not entitled; and (vi) have participated in a civil conspiracy with the FCPs to engage in such unlawful conduct. Accordingly, AT&T seeks appropriate relief for such unlawful conduct and a declaratory ruling to prevent such conduct in the future.

JURISDICTION AND VENUE

6. This Court has original jurisdiction over this action under 28 U.S.C. §§ 1331, 1337, and 47 U.S.C. § 207 because AT&T’s claims arise under the federal Communications Act, a law of the United States. This Court has jurisdiction over AT&T’s state law claims under 28 U.S.C. § 1332. In addition, this Court has supplemental jurisdiction over the state law claims asserted in this action under 28 U.S.C. § 1367(a). Finally, this Court has jurisdiction over AT&T’s requests for declaratory relief under 28 U.S.C. §§ 2001 and 2202.

7. To the extent that venue is proper in this judicial district regarding the claims of the Complaint, venue is proper in this judicial district under 28 U.S.C. § 1391 as to AT&T’s counterclaims against All American, ChaseCom and e-Pinnacle.

PARTIES

8. Defendant/Counterclaim Plaintiff AT&T is a New York corporation that provides communications and other services to U.S.-based and foreign-based customers and has its principal place of business in Bedminster, New Jersey. AT&T is a wholly-owned subsidiary of AT&T Inc.

9. Plaintiff/Counterclaim Defendant All American Telephone Company, Inc. ("All American"), upon information and belief, is a Nevada corporation with its principal place of business in Las Vegas, Nevada.

10. Plaintiff/Counterclaim Defendant ChaseCom ("ChaseCom"). upon information and belief, is a California corporation with its principal place of business in Santa Barbara, California.

11. Plaintiff/Counterclaim Defendant e-Pinnacle Communications, Inc. ("e-Pinnacle") upon information and belief, is a Utah corporation with its principal place of business in Provo, Utah.

COUNTERCLAIM DEFENDANTS' UNLAWFUL SCHEME

A. The Access Charge Regime Governing Domestic Long-Distance Calls.

12. Traditionally, telephone calls have been divided into local calls and long distance calls. Local calls are placed within a designated calling area, sometimes called an "exchange." An exchange is served by one or more local exchange carriers ("LECs"). LECs typically own or lease wires and switches used to initiate calls from and to complete telephone calls to their customers. Thus, when a caller calls a neighbor living down the street, that call originates and terminates within the same local exchange and the caller uses the local exchange service provided by the LEC in connection with that call.

13. There are two general types of LECs: "incumbent" local exchange carriers ("ILECs"), which are the traditional providers of local exchange services, and "competitive" local exchange carriers ("CLECs"), which are new entrants that offer local services in competition with ILECs.

14. Domestic long distance calls are carried from one local calling area (*i.e.*, local exchange) to another local calling area (*i.e.*, local exchange) either within the same state or between different states. Long distance carriers, also known as "interexchange carriers" or "IXCs," typically carry these types of calls from the originating exchange to the terminating exchange. Thus, when a Utah resident calls a friend in New York, the Utah resident must use a long distance service.

15. AT&T and its affiliates provide both local and long distance services. However, AT&T and its affiliates do not own local exchange facilities throughout the country. In those areas where AT&T does not operate local exchange facilities, AT&T typically uses "switched access services" to originate and terminate long-distance calls. The originating and terminating switched access services are provided by LECs that operate local exchange facilities in the areas where the calls originate and terminate.

16. For example, a long distance telephone call from an AT&T long distance customer in Albany, New York to someone in Provo, Utah, may be routed as follows: When the caller in Albany dials the phone number of the Provo resident, the call is first routed by a LEC in New York from the building where the caller is located to an AT&T "point of presence," which is a location where the LEC's local network connects to AT&T's long distance network. This LEC service is called "originating" switched access service, and the Albany LEC bills AT&T for that service. AT&T then carries the call over its long distance network to an AT&T point of

presence in Provo, where it hands the call off to a LEC that terminates the call to the called party in Provo. This LEC service is called "terminating" switched access service, and the Provo LEC bills AT&T for that service.

17. For switched access services, it is the long distance company's customers, not the long distance companies themselves, that choose their local exchange carriers. Consequently, once a long-distance customer chooses to take service from a particular LEC, the long-distance carrier that serves that customer must use the customer-chosen LEC's access services to complete calls to and from the long-distance carriers' customers. Thus, as a general matter, providers of terminating switched access services are the exclusive providers of such service to the customers they serve in their local calling areas, and AT&T has no choice as to the entity from whom it obtains terminating switched access service.

B. Counterclaim Defendants' Operate In Remote And Sparsely Populated Areas On The Utah-Nevada Border.

18. All three Counterclaim Defendants operate in remote and sparsely populated areas straddling the border of Nevada and Utah. However, none of the Counterclaim Defendants connect directly to AT&T's network point of presence for that area. Rather, Counterclaim Defendants connect indirectly to AT&T. The ILEC in the areas where Counterclaim Defendants operate is the Beehive Telephone Company ("Beehive"). Because the Counterclaim Defendants essentially operate behind Beehive's network with no direct connection between their facilities (if any) and AT&T's facilities, AT&T cannot determine precisely how the Counterclaim Defendants' facilities or networks are arranged or how they exchange traffic with Beehive, with any entities to which they route calls, or with other carriers.

19. The Counterclaim Defendants have filed federal tariffs containing the rates for terminating access services associated with long-distance calls to their customers. Those rates