BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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INFOTELECOM, LLC (U6946C) Complainant, v. Pacific Bell Telephone Company D/B/A AT&T California (U1001C) Defendant.	)	Case _____

C1107021

VERIFIED COMPLAINT OF INFOTELECOM, LLC AGAINST PACIFIC BELL TELEPHONE COMPANY D/B/A AT&T CALIFORNIA FOR INTERPRETATION OF AN INTERCONNECTION AGREEMENT AND TO PREVENT DISCONNECTION OF SERVICE

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BEFORE THE PUBLIC UTILITIES COMMISSION
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INFOTELECOM, LLC (U6946C) Complainant, v. Pacific Bell Telephone Company D/B/A AT&T California (U1001C) Defendant.	)	Case _____

VERIFIED COMPLAINT OF INFOTELECOM, LLC AGAINST
PACIFIC BELL TELEPHONE COMPANY D/B/A AT&T CALIFORNIA

COMES NOW, Infotelecom, LLC ("Infotelecom") (U6946C), by and through its undersigned counsel, and pursuant to Sections 701, 702, 1702, and 2106 of the California Public Utilities Code, and Article 4 of the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (the "Commission"), and files this Formal Complaint against Pacific Bell Telephone Company D/B/A AT&T California (U1001C) seeking resolution of a dispute regarding the appropriate interpretation of an Interconnection Agreement between Infotelecom and AT&T California and the Commission's intervention to prevent AT&T California from taking any action to disconnect service to Infotelecom. In support of thereof, Infotelecom states as follows:

I. SUMMARY AND BACKGROUND

1. This matter involves a scheme by AT&T California to exploit its status as the sole provider of local phone services to certain customers in California in order to extort millions of dollars in payments from Infotelecom to which it is not entitled.

2. Infotelecom is a competitive provider of communications services that specializes in carrying voice traffic originating on an internet network in Internet Protocol ("IP") format and carrying that traffic for termination at points on the public switched telephone network ("PSTN"). It is the carrier of choice for many of the nation's most innovative and fastest growing technologies that blend the world of traditional voice communications with the advanced features and functionality made possible by the growth of broadband Internet.

3. In order to provide its services, Infotelecom enters into contractual agreements with a number of other communications carriers whereby the parties agree to terms and conditions for the mutual exchange of communications traffic. As relevant to this dispute, Infotelecom is party to an Interconnection Agreement ("ICA") with AT&T California (which includes other AT&T ILECs in several other states) through which the parties have agreed to exchange communications traffic. *See* Interconnection Agreement Under Sections 251 and 252 of the Telecommunications Act of 1996 , attached hereto as Exhibit A (the "13-State ICA"); *see also* First Amendment Superseding Certain Intercarrier Compensation, Interconnection and Trunking Provisions, attached hereto as Exhibit B (the "First Amendment").

4. Under the First Amendment, Infotelecom is required to pay a rate of $0.00035 for all traffic that originates in IP protocol and is delivered to an AT&T ILEC for termination on the PSTN, which is virtually all of the traffic Infotelecom carries on its network. Infotelecom also performs a monthly calculation to determine the amount that Infotelecom would have paid for

this traffic, had such traffic been traditional telecommunications traffic subject to tariffed switched access charges (the "Delta"). In the unlikely event that the monthly Delta with regard to AT&T California exceeds $500,000, the First Amendment requires Infotelecom and AT&T California to undertake good faith negotiations about a resolution of the Delta and, if those negotiations are unsuccessful, for Infotelecom to escrow the Delta until such time as the Federal Communications Commission resolves the long-standing dispute about whether such traffic is subject to any intercarrier compensation obligations. Relying on an erroneous interpretation of the First Amendment, the AT&T California and the other AT&T ILECs that are party to the 13-state ICA demanded that Infotelecom escrow millions of dollars, despite the fact that Infotelecom has ***never*** met this monthly trigger.

5. Because Infotelecom has refused to give into these unreasonable demands, the Defendant threatens to terminate the 13-State ICA and to cease all services to Infotelecom as of August 19, 2011. In so doing, AT&T California violates the ICA and its duties under the Telecommunications Act of 1996, Pub. LA. No. 104-104, 110 Stat. 56 (1996) ("Act").

6. Because service to customers across the state (and throughout the country) would be disrupted if AT&T California is permitted to follow through on its unlawful scheme, Infotelecom has been forced to initiate litigation in an effort to prevent this irreparable harm. It seeks injunctive relief preventing any disruption of service, and resolution regarding the appropriate interpretation of the escrow provision in the ICA, confirming that Infotelecom is not required to pay Defendant the millions of dollars that it wrongly seeks.

7. Despite the efforts of Infotelecom to resolve this dispute with AT&T in a business-to-business manner, the parties have not been able to reach agreement. However, further efforts to resolve this dispute informally continue and Infotelecom believes may be aided

by the Commission through the form of mediation or otherwise, so long as Infotelecom is not negotiating under threat that its services will be wrongfully terminated. Accordingly, Infotelecom hereby seeks relief from the Commission to resolve this controversy by filing this complaint.

II. PARTIES AND JURISDICTION

8. Plaintiff Infotelecom, LLC is a Delaware Limited Liability Company that is in the business of, among other things, providing interstate and intrastate telecommunications services to various customers. Infotelecom holds a Certificate of Public Convenience and Necessity (CPCN) issued by the Commission.

9. The address and telephone number of Infotelecom is as follows:

Infotelecom, LLC
1228 Euclid Avenue
Suite 390
Cleveland, OH 44115
(216) 373-0950

Complainant is represented in this matter by the following attorneys:

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10. Defendant Pacific Bell Telephone Company D/B/A AT&T California is a California corporation, with its principal place of business in San Francisco, California. AT&T California is an ILEC.

11. The address and telephone number of AT&T is:

140 New Montgomery Street
San Francisco, CA 94105-3705
(415) 542-9000

On information and belief, AT&T is being represented in this matter by:

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12. Infotelecom proposes that this proceeding be categorized as adjudicatory under Rule 2.1(c) and Article 7 of the Commission's Rules of Practice and Procedure. Infotelecom

submits that, to the extent that the Commission determines that there are any material factual disputes, a hearing to resolve any such dispute(s) will be necessary.

13. The issues to be resolved in this matter are:

1. Whether, in contravention of paragraph 7.3 of the First Amendment of the 13-State ICA, AT&T California has wrongfully demanded that Infotelecom escrow funds to which AT&T California has no legal entitlement?

2. Whether, in wrongfully threatening to disconnect the services that AT&T California provides to Infotelecom, AT&T has materially breached the 13-state ICA and/or its duties under sections 251 and 252 of the Act?

3. Whether AT&T California should be enjoined from taking any action to disrupt or discontinue service to Infotelecom?

14. Infotelecom proposes the following schedule:

Service of Complaint	Day 1
Entry of Preliminary Injunctive Relief	On or before Day 25
Answer	Day 31
Prehearing Conference	Day 38
Discovery Completed	Day 83
Dispositive Motions	Day 90
Oppositions to Dispositive Motions	Day 104
Replies to Opposition to Dispositive Motions	Day 111
Evidentiary Hearing	Day 141 and 142

Opening Briefs	Day 157
Reply Briefs	Day 171
Presiding Officer Decision	Day 199

15. The Commission has jurisdiction over this matter pursuant to Sections 701, 1702, and 1707 of the California Public Utilities Code based on the fact that Infotelecom and AT&T California are public utilities subject to the California Public Utilities Code, and AT&T California has violated the California Public Utilities Code and the 13-State ICA as set forth below.

III. STATEMENT OF FACTS

A. Regulatory Background

16. The Act was adopted in 1996 "to promote competition and reduce regulation in order to secure lower prices and higher quality of services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies." Telecommunications Act of 1996, Preamble, Pub. L. No. 104-404, 110 Stat. 56 (1996). The Act creates a "precompetitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition." H.R. Rep. No. 104-458, at 113 (1996), *as reprinted in* 1996 U.S.C.C.A.N. 10.

17. The Act opened the local telephone marketplace to competition. Following the Act, the telephone market place is primarily comprised of three types of carriers: ILECs, those local telephone companies that possessed a monopoly in a given geographic area before the passage of the 1996 Act; Competitive Local Exchange Carriers ("CLECs"), local telephone

companies that were created after the 1996 Act and compete with the ILECs; and Interexchange Carriers ("IXCs"), which are commonly known as long distance carriers.

18. The heart of the Act's deregulatory scheme is a system of interconnection agreements, or ICAs, which are negotiated under the auspices of state utility commissions. Under an ICA, an ILEC, such as Defendants, agree to sell communication services to a new competitor, such as Complainant Infotelecom.

19. Interconnection between carriers is a necessary part of the nation's communications system because Local Exchange Carriers possess a monopoly over the transmission lines connected to their end user customers. Because end users in the United States have only one Local Exchange Carrier at any given time, competitive carriers are unable to transmit calls destined to an ILEC's end users without an interconnection with that ILEC.

20. ILECs must provide interconnection to their network "on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252" of the Act. 47 U.S.C. § 251(c)(2)(D).

21. The process begins when an ILEC receives a "request for interconnection" for another communications company. *Id.* § 252(a)(1).

22. The Act then requires the ILEC to "negotiate in good faith . . . the particular terms and conditions of agreements to fulfill" its duty to sell communication services to these competitive carriers. *Id.* § 251(c)(1).

23. If the parties are unable to agree on all terms, either party may petition the relevant state commission to arbitrate "open issues." *Id.* § 252(b)(1).

24. Whether an interconnection results from voluntary negotiations or commission-supervised arbitration, the resulting interconnection agreement must be publicly filed. *Id.* § 252(h).

25. In lieu of negotiating a new agreement, a requesting carrier may also choose to adopt the terms and conditions of an existing state commission-approved ICA that the ILEC has entered into with another carrier. *Id.* § 252(i). The ILEC has a duty to "make available any interconnection, service, or network element provided under an agreement . . . to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement." *Id.*

B. About the ICA at Issue in This Case

26. Several AT&T-owned ILECs collectively negotiated an ICA with non-party Level 3 Communications, LLC ("Level 3") pursuant to sections 251 and 251 of the Act. *See generally* 13-State ICA.

27. In or about February 2005, the AT&T ILECs and Level 3 negotiated a First Amendment to the 13-State ICA. *See generally* First Amendment.

28. Of particular relevance here, the AT&T ILECs and Level 3 negotiated specific provisions in an effort to address the intercarrier compensation obligations with regard to voice traffic that originates in IP and is later converted to circuit switched format in order to be terminated to an end user on the PSTN (the "IP-PSTN Traffic").

29. Upon information and belief, the parties engaged in negotiations regarding IP-PSTN traffic for at least the following reasons: (1) as a competitive non-legacy carrier, Level 3 has traditionally carried high volumes of IP-PSTN Traffic; (2) the intercarrier compensation obligations for such traffic have been and remain an issue unresolved by the Federal

Communications Commission ("FCC") for well over a decade; (3) the AT&T ILECs assert that IP-PSTN traffic should be treated the same as traffic that originates and terminates on the PSTN, such that its "access service" tariffs are fully applicable and require Level 3 to pay significant compensation to the AT&T ILECs; (4) Level 3, however, generally asserts that little, if any, intercarrier compensation is due for IP-PSTN traffic because it is unregulated traffic that does not fit within the FCC's intercarrier compensation rules; (5) the parties believed that a decision by the FCC regarding the intercarrier compensation obligations for IP-PSTN traffic would be made in the near-term, such that the parties could "agree to disagree" while awaiting that guidance.

30. As reflected in the First Amendment, the AT&T ILECs and Level 3 reached a compromise whereby all IP-PSTN traffic would be treated as local traffic, and thus not subject to the higher tariffed access charges associated with originating and terminating long distance traffic. *See* First Amendment, ¶¶ 6.0, 7.3. Under this agreement, Level 3 would pay a rate of $.00035 per minute for IP-PSTN traffic, which is identified as the "rate for Total Compensable Local Traffic." *Id.*

31. The parties also agreed that they would essentially hold their dispute regarding the rate in abeyance until the FCC took further action to clarify the applicable intercarrier compensation obligations for IP-PSTN traffic. Specifically, the agreement provides:

> **On a monthly basis**, no later than the 15th day of the succeeding month to which the calculation applies, the Delivering Party shall report its calculation of the difference between the amounts Level 3 paid to SBC for terminating such traffic (at rates applicable to Total Compensable Local Traffic (as defined herein)) and the amounts Level 3 would have paid had that traffic been rated according to SBC's intrastate or interstate switched access tariffs based upon originating and terminating NPA-NXX **("Delta")**. By the first day of the following month, the Parties will agree on the amount of the Delta. At such time as **the Delta exceeds $500,000**

> the Parties will negotiate resolution of the Delta for a period not to exceed eleven (11) business days. If the parties are unable to reach resolution, Level 3 shall pay the Delta into an interest bearing escrow account with a First Party escrow agent mutually agreed upon by the Parties.

First Amendment ¶ 7.3 (emphasis added); *see also id.* at ¶ 7.8 ("This Section 7.0 shall remain in effect until the effective date of an FCC Order or (*sic*) addressing compensation for IP-PSTN/PSTN-IP traffic. . . .")

32. Plaintiff Infotelecom adopted the terms and conditions of the 13-State ICA, including the First Amendment.

33. Because all of the traffic that Infotelecom delivers on its network is IP-PSTN traffic, it has paid to each of the relevant Defendants a rate of $.00035, the Total Compensable Local Traffic rate, for each of the minutes of traffic that Infotelecom delivers to a Defendant.

34. Infotelecom has also undertaken the monthly Delta calculations required by paragraph 7.3 of the First Amendment.

35. By definition, the "Delta" under the First Amendment is a calculation made on a "monthly basis." Therefore, Infotelecom has not yet triggered the negotiation or escrow provisions contemplated by paragraph 7.3.

36. Despite this fact, the AT&T ILECs, including AT&T California, began making demands for Infotelecom to escrow payments, contending that they are due under the First Amendment. These demands rest on the mistaken impression that the monthly Delta calculations may be accumulated from month-to-month and across all thirteen states in order to reach the $500,000 trigger set forth in paragraph 7.3.

37. On February 16, 2011, the AT&T ILECs made a written demand to Infotelecom to escrow $1,684,793.36 for what they purport to be the amount of the "California Delta," and

$765,300.26 for what they purport to represent the "Texas Delta." Defendants demanded these payments be made by February 23, 2011.

38. Infotelecom responded to the February 16 Letter on February 23, 2011 explaining, *inter alia*, that the First Amendment defined the Delta as a calculation made on a "monthly basis," and that Infotelecom had not met the trigger for requiring escrow payments.

39. On March 25, 2011, the AT&T ILECs responded to the February 23 Letter, dismissing Infotelecom's position as "meritless" and setting forth demands for payment of the following amounts:

- $1,684,793.36 for the "California Delta"
- $765,300.26 for the "Texas Delta"
- $433,191.03 for the "Illinois Delta" and
- $83,434.59 for the "Ohio Delta"

40. In the March 25 Letter, the AT&T ILECs also indicated that if Infotelecom did not accede to the escrow demands within 45 days, "the AT&T ILECs will pursue any and all rights and remedies it has under the ICAs, its tariffs and/or the law, including without limitation, termination of the ICAs."

41. Following receipt of the letter, Infotelecom engaged in conversations and exchanged further letters with the AT&T ILECs. Based on information and belief that Level 3 is not escrowing payments pursuant to the First Amendment (such that the AT&T ILECs are likely treating Infotelecom in a discriminatory manner in violation of the Act), Infotelecom sought information from the AT&T ILECs regarding how the First Amendment was being implemented between Level 3 and the AT&T ILECs. Specifically, it sought to confirm whether Level 3 is escrowing payments and, if not, whether Level 3 is being assessed an unpublished rate for its IP-PSTN long-distance traffic. The AT&T ILECs refused to provide the information reasonably

requested by Infotelecom, indicating that they would not even seek permission to release this information until Infotelecom had escrowed the full amount demanded by the Defendants.

42. Infotelecom has since confirmed that Level 3 is not escrowing payments under the ICA.

43. Efforts to resolve the dispute had proven unsuccessful and Infotelecom believed that the AT&T ILECs were prepared to follow through on the threat to terminate the ICA between Infotelecom and the AT&T ILECs. As such, on May 5, 2011, Infotelecom filed a federal lawsuit against the AT&T California, together with the other relevant AT&T ILECs that are not a part of this proceeding. *See Infotelecom, LLC v. Illinois Bell Telephone Company d/b/a AT&T Illinois, et al*, No. 3:11-cv-0739 (JCH) (D. Conn.). Infotelecom also sought a preliminary injunction prohibiting AT&T from disconnecting services to Infotelecom. *Id.* at Dkts. 33 - 36, 38-41 (portions filed under seal). In lieu of seeking a temporary restraining order, the parties agreed that AT&T would not terminate the ICA pending the resolution of the motion for preliminary injunction. AT&T filed a motion to dismiss, wherein it argued that (1) the court did not have jurisdiction over Infotelecom's request for a declaratory ruling that Infotelecom had not breached the ICA and (2) that Infotelecom's complaint did not state a claim for discrimination. At the hearing on the motion to dismiss, counsel for AT&T promised not to take any steps to terminate until 7 days after an order on the motion to dismiss was issued. On July 15, 2011, the court granted in part and denied in part AT&T's motion to dismiss, finding that it did not have federal subject matter jurisdiction over the ICA interpretation issue, but that Infotelecom had stated a claim against AT&T for discrimination based on AT&T's alleged secret agreement with Level 3.

44. In partially granting the motion to dismiss, the court also terminated Infotelecom's motion for preliminary injunction as moot. Infotelecom has filed a notice of appeal challenging the Court's conclusion and has asked the Court to exercise its discretion to maintain the status quo by prohibiting AT&T from disconnecting service during the pendency of the appeal. *See Infotelecom, LLC v. Illinois Bell Telephone Company d/b/a AT&T Illinois, et al*, No. 3:11-cv-0739 (JCH), Dkts. 81 – 84.2) (D. Conn July 19, 2011). Based on a stipulation reached between the parties, Infotelecom's motion will be fully briefed by August 5, 2011, and Infotelecom has encouraged the Court to decide the motion on or before August 12, 2011, so that this and other state utilities commissions would still have an opportunity to intervene to prevent a traffic disruption, should that become necessary. *See id.* Dkt. 85. Ultimately, however, unless the decision is reversed on appeal, Infotelecom must go to the relevant state commissions, including this Commission, to seek a final interpretation of the escrow provision of the ICA.

45. AT&T California's threat to discontinue service to Infotelecom over its erroneous belief that Infotelecom should be escrowing payments would be in violation of California law, which provides that "Every telephone corporation and telegraph corporation operating in the State shall receive, transmit, and deliver, without discrimination or delay, the conversations and messages of every other such corporation with whose line a physical connection has been made." Cal. Pub. Util. Code § 558. As the California Public Utilities Commission has concluded:

> No carrier has the right to block or misdirect the routing of calls to their intended destination because the carrier believes that it is not being properly compensated for such calls. Customers have the right to expect that the telephone network through California is reliable, and that their calls will be completed regardless of billing disputes which may exist between carriers involved in the origination, routing and completion of such calls. Ubiquitous reliability is imperative not just for routine residential and business, but particularly where emergency health or safety matters are involved. . . .

> While carriers are entitled to just and reasonable compensation for the completion of calls over their facilities, the resolution of any disputes over compensation must necessarily be addressed after, and independent of, the physical routing of calls have been completed.

Pac-West Telecomm, Inc. v. Evans Tel. Co., et al., Decision No. 07-12-094, Case No. 96-10-018 (CPUC Dec. 16, 1997), at *21-22 (quoting D.97-11-024 at 5-6).

46. If the AT&T ILECs terminate the ICA, Infotelecom will suffer substantial and irreparable harm to its business and its reputation because it will be unable to deliver calls to end users who receive local exchange services from the AT&T ILECs. Similarly, consumers from California, and throughout the country, whose traffic traverses Infotelecom's network will be unable to reach the customers served by the AT&T ILECs.

COUNT I

(Violation of Interconnection Agreement)

47. Complainant realleges and incorporates each of the allegations in paragraphs 1 through 45 as if fully set forth herein.

48. An actual, present and justiciable controversy exists between Infotelecom and the AT&T ILECs because the AT&T ILECs have demanded that Infotelecom escrow millions of dollars in payments that are not properly due under the ICA.

49. Because the First Amendment defines the "Delta" as a monthly calculation, and only requires the parties to negotiate resolution of the Delta or escrow payments when the monthly calculation exceeds $500,000, Infotelecom has not met the trigger in the ICA.

50. Further, because the First Amendment applies on a state-by-state basis, rather than cumulatively across all states, Infotelecom has not met the trigger in the ICA.

51. The AT&T ILECs have, therefore, erroneously demanded that Infotelecom escrow amounts relating to the California Deltas.

52. Because Infotelecom has no legal duty to escrow the California Deltas demanded by AT&T California, AT&T California has violated the ICA by wrongfully terminating the ICA and threatening to discontinue service to Infotelecom.

COUNT II

(Temporary, Preliminary, and Permanent Injunctive Relief)

53. Complainant realleges and incorporates each of the allegations in paragraphs 1 through 51 as if fully set forth herein

54. AT&T has indicated an intent to wrongfully, and without legal justification, discontinue interconnection services to Infotelecom in violation of its statutory duties. *See* 47 U.S.C. §§ 251-252; Cal. Pub. Util. Code § 558.

55. Refusing to deliver calls to the intended destination because of a dispute about compensation with a competitive carrier violates California law and is against the public interest. Cal. Pub. Util. Code § 558; *Pac-West Telecomm, Inc. v. Evans Tel. Co., et al.,* Decision No. 07-12-094, Case No. 96-10-018 (CPUC Dec. 16, 1997), at *21-22.

56. If AT&T California disconnects Infotelecom's service, Infotelecom's business will be irreparably harmed, because it will no longer be able to deliver calls to or receive calls from AT&T California's end users. This will irreparably injure Infotelecom's reputation as a provider of VoIP services. Moreover, due, in part to the fact that Infotelecom receives telephone numbers from AT&T, there is no immediately available technical solution that would allow Infotelecom to re-route the traffic to avoid this harm. *Pacific Bell Tel. Co., dba AT&T California vs. CBeyond Commc'ns, LLC , Covad Commc'ns Co. and Arrival Commc'ns, Inc.*, Decision 08-

09-044; Case No. 06-03-023, 2008 Cal. PUC LEXIS 414 (Cal. PUC 2008) (Commission weighs the following when considering an injunction (1) the irreparable harm which would be incurred by the party against whom the order is sought to be enforced and (2) the likelihood that such party will ultimately prevail on the merits, obtaining recession or significant modification of the order at issue).

57. Infotelecom's customers and the public will also be harmed, because their calls will not be able to reach their intended destination. As the CPUC has observed, "It is in the public interest [to] not permit carrier disputes to affect the service to end-users, the third party in those disputes." *See also Connect America Fund*, 2011 WL 466775, ¶ 654 & n. 1013 (citing *In re Establishing Just and Reasonable Rates for Local Exchange Carriers; Call Blocking by Carriers*, Declaratory Ruling and Order, WC Docket No. 07-135, 22 FCC Rcd. 11629 (2007) ("the ubiquity and reliability of the nation's telecommunications network is of paramount importance to the goals of the Act.")).

58. On the other hand, AT&T California will not be harmed if the Commission issues the relief requested by Infotelecom and enjoins AT&T California from disconnecting service. **Infotelecom pays AT&T California for every minute of traffic that Infotelecom sends to AT&T California's network at the rates for IP-PSTN traffic provided in the parties' ICA ($0.00035).** And, the parties' dispute involves a disagreement only about Infotelecom's duty to escrow payments – payments which would not be available to AT&T until the Federal Communications Commission ultimately decides the open legal question about whether *any* intercarrier compensation is required for IP-PSTN traffic. Thus, AT&T California will unable to demonstrate any material harm that will accrue if the Commission maintains the *status quo*.

59. Finally, Infotelecom will prevail on the merits of this action by demonstrating that it is not legally required to escrow the payments demanded by AT&T.

60. For the foregoing reasons, Infotelecom is entitled to injunctive relief prohibiting AT&T California from discontinuing service to Infotelecom.

PRAYER FOR RELIEF

61. Infotelecom respectfully requests that the Commission grant the following relief:

(a) Find that, pursuant to ¶ 7.3 of the First Amendment, Infotelcom is not required to make any of the escrow payments demanded by AT&T;

(b) Find that, pursuant to ¶ 7.3 of the First Amendment, any duty to make escrow payments would accrue only when the Delta calculation, with regard to a particular state, in any given month, exceeds $500,000 and that calculations do not apply on a cumulative basis;

(c) Enter an Order prohibiting AT&T California from terminating the ICA or otherwise discontinuing service to Infotelecom, unless otherwise ordered by this Commission;

(d) Order the AT&T ILECs to pay Infotelecom its reasonable attorneys' fees and expenses associated with this litigation.

(e) Such other relief as Infotelecom may be entitled to at law or at equity, or which the Commission determines to be just and proper.

Dated: July 25, 2011

Respectfully submitted,

/s/ John L. Clark

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VERIFICATION

I, Alexander Gertsburg, declare as follows:

I am the Secretary for Infotelecom, LLC. In that capacity, I verify that the statements in the foregoing Verified Complaint of Infotelecom, LLC Against Pacific Bell Telephone Company dba AT&T California are true of my own knowledge except as to matters which are stated therein on information and belief, and as to those matters, I believe them to be true.

I further verify that the documents attached to the Verified Complaint, including, but not limited to, the 13-State ICA, First Amendment to the 13-State ICA, and written communications exchanged between AT&T and Infotelecom are true and correct copies of the documents.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct.

Executed this 25th day of July, 2011.

Alexander Gertsburg
Secretary