

October 28, 2016

New York Public Service Commission
Secretary of the Commission
Empire State Plaza
Agency Building 3
Albany NY 1223-1350

Re: Petition of Telxmedia Inc for Designation as an Eligible Telecommunications Carrier Case
No. 16-C-0534

Dear Secretary Burgess

Telxmedia Inc hereby response to the Opposition filed by AT&T Corp in connections with Case
No. 16-C-0534.

Sincerely,

Faizel Hassad

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of
TelxMedia Inc. for Designation as an
Eligible Telecommunications Carrier
Pursuant to 47 U.S.C. 214(e)

**TELXMEDIA INC'S RESPONSE TO AT&T CORP'S RESPONSE
IN OPPOSITION TO TELXMEDIA'S INC'S APPLICATION FOR
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

TelxMedia Inc (“TelxMedia”) respectfully submits its response to AT&T Corp’s (“AT&T”) opposition to TelxMedia’s Application for Designation as an Eligible Telecommunications Carrier (“Application”) filed in docket 16-C0534 on October 6, 2016. TelxMedia will address each one of the misrepresentations that AT&T filed with this commission.

1. TELXMEDIA IS IMPROPERLY CHARGING RURAL END OFFICE RATES

AT&T states that TelxMedia is improperly charging rural end office rates to AT&T for terminating traffic due to the fact that it’s mailing address and main office address is in Long Island City and not in the rural rate centers where it is providing service. TelxMedia is a certificated facilities based Competitive Local Exchange Carrier (“CLEC”) certified by the New York Public Service Commission in docket 15-01706 to service the rate rural rate centers in question. TelxMedia is using the approved National Exchange Carrier Association (“NECA”) end office termination rates to bill AT&T for calls that AT&T is sending to TelxMedia. AT&T’s argument that TelxMedia does not meet the requirement for the rural exemption because its mailing and corporate address are in an area that has more than 50,000 inhabitants or is defined by the Census Bureau as an “urbanized area” does not take into account that fact that TelxMedia does not service

the area of its main office address or its mailing address, but is only providing service within the rural rate centers for which it is billing AT&T for end office termination as allowed in 47 C.F.R. 61.26(a)(6) better known as the FCC Access Charge Reform Order.

2. TELXMEDIA MAY BE ENGAGING IN ACCESS STIMULATION

AT&T contends that TelxMedia “may be engaging in access stimulation” since TelxMedia receives more than 3 calls for every one call the company sends to AT&T. This claim by AT&T is without merit in that AT&T is only reviewing its own call detail records of what it is sending to TelxMedia versus what TelxMedia is sending to AT&T. TelxMedia uses multiple long distance providers (shockingly not just AT&T) as it uses least cost routing (“LCR”) to determine the most cost effective route for calls made by TelxMedia customers, leaving AT&T not playing with a full set of data to analyze. The larger issue is that a large portion of the inbound traffic that TelxMedia is receiving is coming from AT&T as they have the lowest route to the rate centers in question which skews the ratio making it appear that TelxMedia is in excess of the 3:1 ratio that the FCC established as a principle marker of improper access stimulation. TelxMedia receives less traffic from any of the other IXC’s due to AT&T having the lowest cost route.

3. TELXMEDIA’S TRAFFIC APPEARS TO BE MANIPULATED AND POSSIBLY FRAUDULENT

AT&T suggests that through its investigation of 5,400,000 minutes they have uncovered “facts” that indicate that some or all of the traffic is manipulated and may be fraudulent. They are even going as far as to accuse Mr. Hassad himself of going and buying phone service from other carriers to place calls to TelxMedia customers, which is completely up surd and untrue. As AT&T and this Commission know that

unlimited plans are never truly unlimited as stated in the terms and conditions of most telecommunications companies that unlimited is not unreasonable and if a customer is using the service in a way that it is not intended to be used (i.e. a business buying a residential line) then the carrier has the right to terminate the service. No carrier would allow what AT&T is suggesting to happen as it would be a clear violation of the terms of service and would make the line unprofitable for the carrier.

AT&T is also suggesting that TelxMedia is “hacking” or “spoofed” legitimate business phone numbers which is a serious charge is something that TelxMedia takes seriously. TelxMedia does not and does not allow any manipulation of the calling record to change the originating number as that is a clear violation of FCC rules.

4. TELXMEDIA MAY NOT PROVIDE UNIVERSAL SERVICE

In making the statement that TelxMedia “may not provide universal service”, AT&T relies on an un-updated website that has now been corrected. TelxMedia was a software provider prior to being certified as a CLEC by this commission and parts of the website were not updated to currently reflect the services that TelxMedia is providing nor was the most updated terms and conditions represented on the website. To be clear TelxMedia provides local exchange telecommunications services to both residential and small business customers within its rural service area. The company provides 911 and/or E911 access to all customers and provides directory assistance through a 3rd party contracted provider.

5. AT LEAST ONE OTHER COMPANY OWNED BY TELXMEDIA’S PRESIDENT AND CEO FAIZAL HASSAD IS ALLEGED TO HAVE BEEN INVOLVED IN OTHER FRAUDULENT TRAFFIC SCHEMES.

AT&T alleges that Mr. Hassad was involved in another company Voice Stream Network Inc. (“Voice Stream”) that was involved in litigation with AT&T in 2015. Mr. Hassad left Voice Stream in early 2015 to start his own CLEC. Mr. Hassad currently has no relationship with Voice Stream, or any of the former owners and officers.

CONCLUSION

TelxMedia is committed to providing facilities based local exchange services within its current markets that is both of high quality and reasonably priced. There is demand from the local communities for which TelxMedia services for the company to allow customers to apply their Lifeline discount to TelxMedia’s already low prices allowing customers more choice and better pricing than they can currently get from their current wireline provider. AT&T’s opposition to TelxMedia’s application for Designation as an Eligible Telecommunications Provider as shown in this response to be without merit and we request that the commission approve this petition expediently.

/s/ Faizel Hassad