

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

Application of

GTCR ONVOY HOLDINGS, LLC,
Transferor,

SINCH US HOLDING INC.
Transferee,

ONVOY, LLC, MINNESOTA
INDEPENDENT EQUAL ACCESS
CORPORATION (MIEAC),
VOYANT COMMUNICATIONS, LLC,
BROADVOX-CLEC, LLC, ANPI BUSINESS,
LLC, ANPI, LLC, INTELIGENT, INC., AND
LAYERED COMMUNICATIONS, LLC
Authority Holders

For Consent to Transfer Indirect Control of
Companies Holding Domestic and International
Authority Pursuant to Section 214 of the
Communications Act of 1934, as Amended

WC Docket No. 21-131
ITC-T/C-20210401-00059
ITC-T/C-20210401-00060
ITC-T/C-20210401-00061
ITC-T/C-20210401-00062
ITC-T/C-20210401-00063
ITC-T/C-20210401-00064

COMMENTS OF CARRIERX, LLC

Lauren J. Coppola
Robins Kaplan LLP
800 Boylston Street
Suite 2500
Boston, MA 02199
(617) 267-2300

Christopher Libertelli
General Counsel
CarrierX, LLC
4300 Pacific Coast Hwy
Long Beach, CA 90804
(844) 844-0707

Counsel for CarrierX, LLC

I. SUMMARY

CarrierX, LLC (“CarrierX”) respectfully submits these Comments in the above captioned proceeding pursuant to the Federal Communications Commission’s (“FCC” or “Commission”) Public Notice regarding the proposed transfer of control of Inteliquent to Sinch.¹ The proposed transfer of control will result in substantial harm to the telecommunications marketplace, specifically to the market for connections to and support of high-volume conference calling applications. The Applicants have failed to demonstrate the transaction will have a corresponding public benefit and, in fact there will likely be substantial harm resulting from Inteliquent’s secret access stimulation activities. Accordingly, the Commission should either deny the transaction or condition this transaction on providing greater transparency regarding the combined company’s access stimulation business.

CarrierX files these comments regarding the proposed transaction because of the substantial threat of anticompetitive effects and public interest harms resulting from the proposed combined company’s operations. The Commission has long worked to reduce the financial incentives to engage in wasteful arbitrage and curb “access stimulation.”² There are substantial questions regarding whether Inteliquent has disclosed all relevant information in connection with its requests for waivers of the Commission’s access stimulation rules. In fact, for at least the past several years, Inteliquent has and continues to be engaged in a number of practices to circumvent those rules. These practices proliferate the harms to the public that the Commission sought to eliminate with the amendments to the access stimulation rules. Further, as the sole recipient of a

¹ *Consolidated Application for Consent to Transfer Control of Section 214 Authority Holders*, April 1, 2021 (“Application”).

² To that end, it adopted rules in 2011 *USF/ICC Transformation Order* and amended those rules in the 2019 *Access Arbitrage Order* to define access stimulation and the way in which carriers can charge for “access stimulation” traffic. Inteliquent is engaged and has been engaged in access stimulation.

waiver of these rules (procured due to its lack of candor), Inteliquent can stop all competitors in the market while it is permitted to engaged in access stimulation. The proposed transaction between Inteliquent, self-declared as the largest independent voice provider in the United States, with over 300B minutes of voice calling per year and 100M active phone numbers³, and Sinch may expand Inteliquent's practice of obscuring large volumes of access stimulation traffic.

Inteliquent's lack of candor in connection with its access stimulation activities should be of the utmost concern to the Commission. Thus, the proposed transaction should be denied, or in the alternative, conditioned on the Commission: i) denying the combined entity further waivers of the access stimulation rules; ii) conducting audits of the combined entity's numbering resources and traffic volumes; and iii) Inteliquent providing the Commission with material information as set forth fully below and the Commission's satisfactory review of this information.

II. LEGAL STANDARD.

Pursuant to sections 214(a) and 310(d) of the Communications Act, the Commission must determine whether the proposed transfer of control to Sinch of licenses and authorizations held by the Applicants will serve the public interest, convenience, and necessity.⁴ Proposed mergers that are reviewed under the Communications Act are held to a higher standard when examining their potential competitive effects than the same proposed transaction would be under the antitrust laws.⁵ The Commission employs a balancing test weighing any potential public

³ Sinch AB acquires Inteliquent for \$1.14B, Seeking Alpha (Feb. 17, 2021), <https://seekingalpha.com/news/3662672-sinch-ab-acquires-inteliquent-for-114b>.

⁴ See 47 U.S.C. §§ 214(a), 310(d).

⁵ See *In the Matter of Applications for Consent to the Transfer of Control of Licenses XM Satellite Radio Holdings Inc., Transferor to Sirius Satellite Radio, Inc., Transferee*, Memorandum Opinion and Order and Report and Order, MB Docket No. 07-57 at ¶ 32 (2008).

interest harms of the proposed transaction against the potential public interest benefits.⁶ The Applicants will bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest. Under the license transfer provisions of the Communications Act, the parties proposing to merge (as opposed to the reviewing agency) bear the burden of persuading the Commission⁷ that the merger would *enhance* (rather than merely preserve) competition.⁸ The Commission is to review whether the transaction would violate the Communications Act, the rules of the Commission, interfere with the objectives of the Communications Act or other statutes and whether the merger promises to yield affirmative public interest benefits.⁹

⁶ See, e.g., *Applications of Nextel Communications, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-63, File Nos. 0002031766, et al., Memorandum Opinion and Order, FCC 05-148, 20 (rel. Aug. 8, 2005) (*Sprint/Nextel Order*); *Applications of Western Wireless Corporation and Alltel Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-50, Memorandum Opinion and Order, FCC 05-138, ¶ 17 (rel. July 19, 2005) (*Alltel/Western Wireless Order*); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation*, WT Docket 04-70, Memorandum Opinion and Order, 19 FCC Rcd. 21522, 21542-43, 1 40 (2004) (*Cingular/AT&T Wireless Order*); *General Motors Corporation and Hughes Electronics Corporation, Transferors, and The News Corporation Limited, Transferee*, MB Docket No. 03-124, Memorandum Opinion and Order, 19 FCC Rcd. 473, 483 ¶ 15 (2004) (*News Corp./Hughes Order*); *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee*, CC Docket 98-184, Memorandum Opinion and Order, 15 FCC Rcd. 14032, 14046, paras. 20, 22 (2002) (*Bell Atlantic/GTE Order*); *Applications of VoiceStream Wireless Corporation and Powertel, Inc., Transferors, and Deutsche Telekom AG, Transferee*, 1B Docket No. 00-187, Memorandum Opinion and Order, 16 FCC Rcd. 9779, 9789, ¶ 17 (2001) (*Deutsche Telekom/VoiceStream Order*).

⁷ 47 U.S.C. §309(e) (burdens of proceeding and proof rest with the applicant).

⁸ See *In the Matter of Applications for Consent to the Transfer of Control of Licenses XM Satellite Radio Holdings Inc., Transferor to Sirius Satellite Radio, Inc., Transferee*, Memorandum Opinion and Order and Report and Order, MB Docket No. 07-57 at ¶ 32 (2008); *MCI -BT Order*, 12 FCC Rcd at 15354, ¶ 3; *NYNEX -Bell Atlantic Order*, 12 FCC Rcd at 19987, ¶ 2.

⁹ See *Applications of Ameritech Corp., Transferor and SBC Communications Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 2224, 25, 63, 90 and 101 of the Commission's Rules*, Memorandum Opinion and Order, 14 FCC Rcd 14712, at ¶49 (1999) ("*SBC/Ameritech Order*").

The Commission has consistently recognized that the FCC’s actions should be informed by competition principles. These principles look to the impact of practices on consumers and the public interest, not just on competitors. It is not sufficient for the combined entity to demonstrate no increased harm; they must also demonstrate that there is a public interest benefit resulting from the merger. In determining the competitive effects of a proposed merger, the Commission considers whether a proposed transaction “will enhance, rather than merely preserve, existing competition.”¹⁰ The “public interest” standard is not limited to purely economic outcomes. It necessarily encompasses the “broad aims of the Communications Act,” which include, among other things, a deeply rooted preference for preserving and enhancing competition in relevant markets, accelerating private-sector deployment of advanced services, ensuring a diversity of information sources and services to the public, and generally managing spectrum in the public interest. The Commission’s analysis also entails assessing whether the transaction will affect the quality of communications services or will result in the provision of new or additional services to consumers.¹¹

The Commission can approve a transaction, or it can approve a transaction with conditions designed to ensure the public interest is served. But, if after a thorough review the FCC is unable to find that the proposed transaction serves the public interest or if the record presents a substantial and material question of fact, it must designate that transaction for an administrative hearing.

¹⁰ *Verizon Wireless/Alltel Merger Order*, 23 FCC Rcd 11401 at ¶ 28 (emphasis added). See also *Verizon Wireless/Rural Cellular Merger Order*, 23 FCC Rcd 12463, 12479 ¶ 32 (2008); *Sprint/Clearwire Order*, 23 FCC Rcd 17510 at ¶ 21 (2008); *Sirius/XM Merger Order*, 23 FCC Rcd 12348, 12365 ¶ 29 (2008).

¹¹ *SBC/Ameritech Merger Order*, 14 FCC Rcd 14712, 14738 ¶ 49 (1999), quoting *Bell Atlantic/NYNEX Merger Order*, 12 FCC Rcd 19985, 19987 ¶ 2 (1997) (The Commission will approve a merger proposal only if it is “convinced that [the transaction] will enhance competition).

III. IN TOTALITY, THE APPLICANTS HAVE FAILED TO DEMONSTRATE THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST.

As both a customer and competitor of Inteliquent, CarrierX believes that the combined entity, through its waiver and undisclosed business activities, will use its increased market power to expand its efforts to circumvent the Commission's newest access stimulation rules. The Application is extremely light on any meaningful description of public interest benefits. Worse, it fails to address a number of important issues, which CarrierX believes the Commission must examine. The acquisition by Sinch will bring under Inteliquent's umbrella international CPaaS, and the large portfolio of voice applications that rely on them. The combined entity will perpetuate the competitive harm Inteliquent is already causing with its efforts to skirt the access stimulation rules and the waiver it procured. If the applicants are combined, the competitive harm will magnify and distort an even larger segment of the market. Accordingly, the application to transfer control must be conditioned as set forth more fully below.

IV. THE APPLICANTS' LACK OF CANDOR.

The Application should be denied if the Commission determines that the facts upon which it granted Inteliquent a waiver demonstrate a lack of candor. In September 2019, the Commission unanimously adopted the *Access Arbitrage Order* to reduce the use of the intercarrier compensation system to implicitly subsidize services offered through access stimulation.¹² Among other things, in the *Access Arbitrage Order* the Commission amended the definition of access stimulation and under the newest rules required CLECs to be financially responsible for all access stimulation traffic.¹³

¹² *Access Arbitrage Order*, 34 FCC Rcd at 9035-36, para 1.

¹³ *Id.* at 9053, para. 43; Under the modified definition in section 61.3(bbb)(1)(ii) of the Commission's rules, a competitive LEC is deemed to be engaged in access stimulation if it "has an interstate terminating-to-originating traffic ratio of at least 6:1 in an end office in a calendar month." 47 CFR § 61.3(bbb)(1)(ii). The Commission also revised the access stimulation definition to include a higher

Inteliquent is a local exchange carrier that provides services to a variety of high volume voice applications, including both large enterprise customers and “free” conference calling applications. On March 17, 2020, about two months after the Commission’s 2019 *Access Arbitrage Order* took effect, Inteliquent requested a waiver of the Commission’s new rules and the devastating financial penalties associated with it.¹⁴ Inteliquent claimed in its First Waiver Request, and all substantive requests for waiver renewals, that the volume of traffic terminating to it exponentially increased as a result of changing habits of Americans due to the COVID-19 pandemic.¹⁵ As a result, Inteliquent told the Commission that the traffic to its “affected end offices” in a calendar month exceeds the 6:1 ratio that would make Inteliquent an “access stimulating” competitive LEC under the rules the Commission adopted in the 2019 *Access Arbitrage Order*.¹⁶ To avoid the financial penalties associated with the Commission’s access stimulation rules, Inteliquent sought and received a waiver of those rules.¹⁷ Under the Commission’s Access Stimulation Rules, absent a waiver, Inteliquent would be required to accept the financial responsibilities that apply to access-stimulating competitive LECs.¹⁸

ratio for rate-of-return LECs that are not parties to revenue sharing agreements. 47 CFR § 61.3(bbb)(1)(iii). The Commission’s rules also require that a LEC “engaged in Access Stimulation . . . shall assume financial responsibility for any applicable Intermediate Access Provider’s charges for such services for any traffic between such local exchange carrier’s terminating end office or equivalent and the associated access tandem switch.”; 47 CFR § 51.914(a)(2). The Commission’s new rules left in place the already established definition of access stimulation with its multi-part test of a revenue sharing arrangement and 3:1 terminating-to-originating traffic ratios. See 47 CFR § 61.3(bbb)(A)(1)(a).

¹⁴ *Petition of Onvoy, LLC d/b/a Inteliquent for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission’s Rules (“First Waiver Request”)* WC Docket No. 18-155 at 4. (“If, however, Inteliquent is deemed to be engaged in ‘access stimulation’ by virtue of terminating this traffic, it would face significant financial harm.”)

¹⁵ *Id.* at 1.

¹⁶ *Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage*, WC Docket No. 18-155, Report and Order and Modification of Section 214 Authorizations, 34 FCC Red 9035 (2019) (*Access Arbitrage Order*), *pets. for review pending sub nom, Great Lakes Commc’n Corp., et al. v. FCC*, No. 19-1233 (D.C. Cir. filed Oct. 29, 2019) (consolidated with No. 19-1244).

¹⁷ *Inteliquent Waiver Order*, 18-155 (March 27, 2020) (granting a temporary waiver of 47 CFR § 61.3(bbb)(1)(ii)).

¹⁸ 47 CFR § 61.3(bbb)(1)(ii); 47 CFR § 51.914. See generally *Access Arbitrage Order*.

Inteliquent's First Waiver Request was granted through June 2020. In granting Inteliquent's waiver request the Commission relied in part on the fact Inteliquent declared it was not an access stimulator before March 2020. Inteliquent made such representations despite the fact that it provides services to free conferencing applications such as Free Conference USA, and, upon information and belief, shares revenue with them.¹⁹ In fact, Inteliquent provided services to and shared revenue with CarrierX until early 2020.²⁰ The Commission also stated that Inteliquent's waiver would only apply to Inteliquent's preexisting customers and could not apply to new ones.²¹ However, Inteliquent did not provide a list of customers to the Commission and presumably has been unconstrained in acquiring new business.

The Commission renewed Inteliquent's requests for a waiver three additional times. On February 23, 2021, Inteliquent filed its Fourth Waiver Renewal Request limited to Inteliquent's Chicago and Houston LATAs.²² Limiting the waiver request to certain markets does not reduce the competitive harm resulting from the waiver, as many former access stimulating LECs only operated out of a single LATA. According to Inteliquent's fourth request, prior to the pandemic, Inteliquent's terminating-to-originating traffic ratios were 2.4:1 in the Chicago LATA, and 1.5:1 in the Houston LATA.²³ Since Inteliquent received its first waiver in March 2020, Inteliquent claimed that the actual terminating-to-originating traffic ratios for its preexisting customers in the Chicago LATA have been as high as 32.8:1 and no lower than 14:1.²⁴ Similarly, Inteliquent's actual terminating-to-originating traffic ratios in the Houston LATA have been as high as 29.7:1

¹⁹ CarrierX, LLC Ex Parte, 18-155, April 23, 2020.

²⁰ Declaration of David Erickson ("Erickson Decl."), filed contemporaneously herewith, ¶ 3.

²¹ Inteliquent Waiver Order at 6-7, para 17.

²² Fourth Renewal Request at 1-2.

²³ *Id.* at Exh. A.

²⁴ *Id.*

and no lower than 12.1:1 since March 2020.²⁵ Inteliquent projected that in the forthcoming calendar months identified in its fourth and latest requested waiver request, its terminating-to-originating traffic ratios will continue to exceed the 6:1 threshold, with estimated terminating-to-originating traffic ratios of 14.2:1 in the Chicago LATA and 12.3:1 in the Houston LATA.²⁶ In granting all of Inteliquent’s waiver requests the Commission repeatedly found, based on Inteliquent’s representations, that prior to March 2020, Inteliquent did not meet the definition of an access-stimulating LEC.²⁷

Inteliquent’s waiver requests and its Application do not disclose pertinent information about its access stimulating activities and is opaque about its alleged ratio counting methodology. Prior to its filing of the First Waiver Request, Inteliquent not only supported large enterprise voice applications such as Zoom and WebEx, but it also hosted (and continues to host) many “free” conference calling and high volume voice applications as referenced above. CarrierX believes that Inteliquent also shares revenue with these applications, in fact, CarrierX was one of them. Inteliquent failed to disclose these activities and address whether it is an access stimulator under the pre-2019 rules.²⁸

Inteliquent’s waiver requests fail to address revenue sharing at all, and the Commission relied upon this omission in granting Inteliquent a waiver.²⁹ Further, Inteliquent has been careful not to disclose how it calculated the terminating-to-originating traffic volumes for which it

²⁵ *Id.*

²⁶ *Id.* Inteliquent’s projected traffic ratios are “based on current traffic volumes observed in January/February [2021], and then adjusted for the number of business days and weekend days in those months. This methodology is used because traffic volumes tend to correlate with whether a given day is a business day or a weekend day.” *Id.* at n.10.

²⁷ *Inteliquent Waiver Order* at 5-6, para. 15.

²⁸ 47 CFR §61.3 (bbb)(1)(i)(A) and (B) (stating that a CLEC is engaged in access stimulation if it has a revenue sharing agreement and an interstate terminating-to-originating traffic ratio of at least 3:1 in a calendar month).

²⁹ *Inteliquent Waiver Order* at 5, para. 14.

sought the waiver (and for those which it did not). Even for the ratios it disclosed to the Commission, there is no information as to how Inteliquent calculated them. Inteliquent hosts CLECs and IPES entities on its network, affiliated and unaffiliated, and has not disclosed how it “counted” traffic to these varied entities.

Inteliquent also failed to disclose to the Commission in its Application and waiver requests its direct connect relationships with end user applications. Under such arrangements Inteliquent’s long distance connection services provided under its exclusive relationship with T-Mobile, and presumably others, bypass a host LEC or IPES end office to terminate calls directly to the end user high volume application.³⁰ In such cases, Inteliquent is not the carrier associated with the called number; instead, those telephone numbers, at least in one case of which CarrierX is aware, are assigned to a rural LEC that sits behind a CEA tandem. CarrierX is aware that Inteliquent bypasses multiple other LECs/IPES entities’ end offices that provide applications telephone numbers. CarrierX also believes that Inteliquent shares revenue with the end user application in these arrangements.³¹

These direct-to-application termination arrangements raise a number of regulatory compliance questions, including questions about Inteliquent’s management of its own numbering resources. As it is the exclusive partner with T-Mobile and has a direct relationship with the end user application, Inteliquent should be using its own numbering resources, as opposed to having the end user application use another entity’s numbering resources only to bypass that entity’s network. Inteliquent routes calls in this way, avoiding the use of its own telephone numbers, to circumvent the access arbitrage traffic measurement ratios as well as to operate under the price umbrella of the rural LECs tariff, which the commission has sought to eliminate.

³⁰ Erickson Decl., ¶ 2.

³¹ *Id.*

These direct-to-application or PSTN bypass arrangements also raise questions as to how Inteliquent “counts” the millions (or even billions) of calls it transmits directly, circumventing the responsible entity, to the end user application for the purposes of the Commission’s access stimulation rules. The calls subject to these arrangements terminate to high volume voice applications in high rate areas and would otherwise fall under the Commission’s access stimulation rules if routed to the CLEC numbering resource provider. Inteliquent’s routing which bypasses the PSTN end office obscures the nature of this traffic and which carrier should be taking responsibility for it. Inteliquent is also able to leverage applications into accepting these direct to applications deals by removing T-Mobile’s 1 cent per minute surcharge, which is often assessed on calls to high volume applications. Inteliquent failed to disclose these substantial and highly lucrative arrangements in its waiver requests and the Application.

Inteliquent’s lack of candor raises a substantial number of issues that should be addressed. Some of these questions include the following:

- How did Inteliquent measure its traffic volumes?
- What types of traffic did it include in its measurements and disclosures to the Commission?
- Did it include traffic destined to its three affiliated IPES entities or the many unaffiliated IPES entities it hosts?
- What outbound traffic does IQNT include in its ratio measurement? Does it measure only traffic that it originates from its own customers or does it include wholesale termination traffic from customers like T-Mobile?
- Did Inteliquent include VoIP traffic in its ratio counting?
- How will the proposed transaction increase Inteliquent’s traffic ratios to VoIP entities and how does Inteliquent intend to account for it? How does the combined entity propose to address combined traffic ratios?
- How did Inteliquent calculate its traffic ratios for any CLECs it hosts?

- Did Inteliquent measure its traffic volumes against the 3:1 ratio as well as the 6:1 ratio?
- Did Inteliquent measure traffic ratios at all of its end offices?
- Did Inteliquent consider its revenue sharing and payments, credits, offsets to the applications its hosts or transmits traffic to in seeking its waiver?
- Did Inteliquent update traffic volumes to accurately describe the relevant volumes as its requests were renewed?
- Did Inteliquent add new customers to its network that enjoyed the benefits of its access stimulation waiver? Did Inteliquent's application customers win new business and increase its traffic on Inteliquent's network as a result of the waiver?

Inteliquent should answer these questions. Inteliquent's lack of candor in its Application and its waiver requests should lead the Commission to investigate whether Inteliquent obscured large volumes of access stimulation traffic (in many cases terminating to rural areas) and whether such efforts will expand with the allowance of the Transaction and its increased access to end user applications using Sinch. Given the Commission's outspoken position against the harms of access arbitrage and the potential harms the combined entity's access stimulation activities could pose (and Inteliquent's serial request for waivers), the Applicants have failed to demonstrate that the merger is in the public interest. The Transaction should not be allowed to go forward with the combined entity as beneficiary of a waiver of the Commission's access stimulation rules.

Moreover, as outlined in more detail below, the proposed merger should be conditioned on requiring the Applicants' Disclosure of ratio-counting methodology with back up and network diagrams for the past three years across Inteliquent's entire network for all terminating and originating calls, and Inteliquent's demonstration that it does not share revenue with or provide other financial incentives to high volume voice applications. Only after such information is disclosed will the Commission be in a position to evaluate whether the Proposed Transaction can proceed in the interests of the public.

V. THE COMPETITIVE HARM OF THE PROPOSED TRANSACTION

The Transaction will enhance barriers to market entry and disadvantage rivals in anti-competitive ways. Inteliquent currently enjoys the benefits of a waiver of the access stimulation rules, but this waiver should not obscure the fact that Inteliquent is otherwise engaged in access stimulation. Moreover, if not for Inteliquent's lack of candor, it likely would not have received, and continue to receive, waivers of the access stimulation rules. The proposed transaction will only increase Inteliquent's relationships with high volume applications. Thus, the combined entity will continue to exploit the benefits of the waiver and expand the tactics it uses to circumvent the access stimulation rules.

Inteliquent's conduct puts companies that do play by the rules at a competitive disadvantage. Competitors cannot share revenue with and terminate calls to high volume calling applications (especially in rural areas) as Inteliquent is able due to its waiver and direct-to-applications deals. Competitors have exited the access stimulation business or suffered the severe financial consequences of continuing to support high volume voice applications. As the sole long distance provider to T-Mobile (and formerly Sprint), Inteliquent is able to dominate the now-booming market of supporting high volume calling applications with one-third of the wireless market traversing its network. And, if the proposed Sinch acquisition is permitted to move forward without conditions and full transparency as to Inteliquent's access stimulation conduct, its grip on that market sector will only tighten.

Further, when Inteliquent bypasses the PSTN to connect calls to other carrier's telephone numbers, it could render other carriers, unaware of Inteliquent's undisclosed activities, unable to satisfy its carrier duties for connecting calls. This conduct could put other carriers in a precarious situation that could cause them harm. Moreover, it raises questions as to how Inteliquent is utilizing the telephone numbers it is assigned through its web of affiliated licensed entities. The

Applicants have at least twelve entities with numbering authority between them and Inteliquent's conduct begs the question as to why it is not assigning applications its own numbers for routing purposes. This conduct is only expected to continue and broaden with Sinch as its owner and it has a portfolio of applications under one roof.

VI. COMPETITIVE CONDITIONS

In light of the foregoing arguments, the Commission should condition the transaction on the following:

- i. Refuse to grant Inteliquent and the Combined Entity any further waivers of the access stimulation rules;
- ii. Investigate Inteliquent's candor in the waiver granting process by requesting the following:
 1. A calculation of Inteliquent's terminating-to-originating ratios for all LATAs on its network for all traffic for the past three years;
 2. Affidavits from Inteliquent's customers as to whether such customers received revenue share from IQNT (or its affiliates) or any other indirect benefit (credits, reduced pricing, etc.) from use of IQNT inbound access services; and
 3. A calculation of all call traffic Inteliquent transmitted directly to the end users application bypassing the terminating PSTN carrier;
 4. A list of OCNs where Inteliquent bypassed the terminating PSTN carrier;
 5. All customer contracts related to Inteliquent direct to application/PSTN bypass arrangements.
- iii. Third party audits of Inteliquent's and the Combined Entity's numbering resource compliance, with a three-year lookback period, annually for a five-year period in the future.

VII. CONCLUSION

Based on the significant public harms the combined entity poses, CarrierX requests the Commission deny or condition the Transaction as set forth above.

/s/ Christopher Libertelli

Christopher Libertelli, General Counsel
CarrierX, LLC

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

Application of

GTCR ONVOY HOLDINGS, LLC,
Transferor,

SINCH US HOLDING INC.
Transferee,

ONVOY, LLC, MINNESOTA
INDEPENDENT EQUAL ACCESS
CORPORATION (MIEAC),
VOYANT COMMUNICATIONS, LLC,
BROADVOX-CLEC, LLC, ANPI BUSINESS,
LLC, ANPI, LLC, INTELIGENT, INC., AND
LAYERED COMMUNICATIONS, LLC
Authority Holders

For Consent to Transfer Indirect Control of
Companies Holding Domestic and International
Authority Pursuant to Section 214 of the
Communications Act of 1934, as Amended

WC Docket No. 21-131
ITC-T/C-20210401-00059
ITC-T/C-20210401-00060
ITC-T/C-20210401-00061
ITC-T/C-20210401-00062
ITC-T/C-20210401-00063
ITC-T/C-20210401-00064

DECLARATION OF DAVID ERICKSON

1. I, David Erickson, hereby submit this declaration in support of CarrierX, LLC's comments in the above-captioned proceeding concerning the proposed transfer of control of Inteligent to Sinch.¹

2. As CEO of CarrierX, I have personal knowledge that Inteligent transmits telephone calls directly to high volume voice applications. When Inteligent does this, Inteligent bypasses the local carrier or IPES entity that is associated with the telephone number.

¹ Consolidated Application for Consent to Transfer Control of Section 214 Authority Holders, April 1, 2021 ("Application").

CarrierX first became aware of this conduct when it received a customer service complaint, sometimes called a trouble ticket, about technical difficulties reaching one of its telephone numbers. CarrierX had no record of the call at issue. Upon further investigation, network testing and communications with the applications, CarrierX learned that Inteliquent sent the call directly to the application bypassing the terminating entity. A short time later, CarrierX received a government subpoena for records and was unable to respond as it did not have records for the calls in question. Again, CarrierX came to learn that the calls did not appear on its network because Inteliquent sent them directly to the application. At least in one case of which CarrierX is aware, the telephone numbers at issue are assigned to a rural LEC that sits behind a CEA tandem.

3. Based on communications with other applications, CarrierX believes that Inteliquent also shares revenue with high volume applications in the bypass arrangements. I know that Inteliquent has shared revenue with application in instances where there is no bypass, included with CarrierX until at least March 2020.

4. I also understand from testing conducted by my network engineering department that where Inteliquent transmits calls directly to the application T-Mobile does not assess an additional 1 cent per minute charge on each call. Calls to the same types of telephone numbers to the same high volume voice applications are subject to T-Mobile's 1 cent per minute surcharge when they are routed via the PSTN.

5. CarrierX and others have either changed their business models or exited the access stimulation business due to changing regulations. Inteliquent, on the other hand, can continue to share revenue with high volume voice applications that use rural CLEC telephone numbers. Inteliquent, alone, without competition, can engage in access stimulation.

I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on June 14, 2021

A handwritten signature in black ink, consisting of a stylized initial 'D' followed by a long, horizontal, slightly wavy line.

David Erickson

37213689.1