



STATE OF WASHINGTON  
**UTILITIES AND TRANSPORTATION COMMISSION**  
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • [www.utc.wa.gov](http://www.utc.wa.gov)

June 20, 2014

Steven V. King, Executive Director and Secretary  
Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. NextNet Telecom, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-140905

Dear Mr. King:

On June 2, 2014, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-140905 against NextNet Telecom, Inc. for 10 violations of Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to furnish annual reports to the commission no later than May 1 each year.<sup>1</sup>

On June 9, 2014, Jon Warta wrote the commission on behalf of NextNet Telecom regarding the penalty assessment.<sup>2</sup> In his letter, Mr. Warta states, "This entity ceased to exist in 2012, and was formally cancelled in 2013. This company has never had any revenue or sold any services. The WUTC was informed in 2012 that this company was not active and no longer intended to operate." The letter continues, "I am merely providing this as information, since there is no longer an entity called NextNet Telecom in Washington." Mr. Warta provided an application to withdrawal or dissolve a corporation on a Washington State Department of Revenue form.<sup>3</sup>

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline. On February 28, 2014, Annual Report packets were mailed to all regulated telecommunication companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2014, to avoid enforcement action.

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<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet's written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

UTC Annual Reports  
June 20, 2014  
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Commission records reflect no formal request from NextNet Telecom to cancel the registration on file. The letter provided by Mr. Warta will serve as notice to voluntarily cancel the registration of NextNet Telecom as commission records indicate Mr. John Warta as the Chairman, CEO of the company. Staff recommends the penalty be waived and the docket closed.

If you have any questions regarding this recommendation, please contact Amy Andrews, Regulatory Analyst, at (360) 664-1157, or [aandrews@utc.wa.gov](mailto:aandrews@utc.wa.gov).

Sincerely,

Sondra Walsh, Director  
Administrative Services

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<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet's written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

## ATTACHMENT A

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

#### NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-140905  
PENALTY AMOUNT: \$1,000

NextNet Telecom, Inc  
421 C Street, Unit 1B  
Washougal, WA 98671

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to file their annual reports and pay regulatory fees each year by May 1. You did not file an annual report or pay regulatory fees by May 1, 2014.

Revised Code of Washington (RCW) 80.04.080 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each violation is a separate and distinct offense and, in the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 beyond May 1 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report or pay its regulatory fees after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1,000 on the following basis:

On February 28, 2014, the Commission mailed the 2013 annual report forms and the 2014 regulatory fee packets to all telecommunications companies registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports and pay regulatory fees by May 1, 2014. The instructions page also stated that failure to file the annual report by May 1 would result in penalties. The deadline for requesting an extension to file your annual report was April 17. You did not request an extension.

As of May 15, 2014, NextNet Telecom, Inc. has not filed its 2013 annual report or paid its 2014 regulatory fee. May 15 is 10 business days from May 1, resulting in a total penalty of \$1,000.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the reasons supporting that request.

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet's written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

Failure to provide such a statement will result in denial of the request. If there is a reason for the violation that you think should excuse or reduce the penalty, you may ask for mitigation (reduction) of this penalty through evidence presented at a hearing or in writing. A request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. See RCW80.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

**You must act within 15 days after receiving this notice** to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

**If you do not act within 15 days**, the Commission may refer this matter to the Office of the Attorney General for collection, which may file suit in state court to collect the penalty. The Commission may also initiate proceedings under WAC 480-121-060 to revoke your authority to provide telecommunications services in Washington.

DATED at Olympia, Washington, and effective June 2, 2014.

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GREGORY J. KOPTA  
Administrative Law Judge

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet's written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-140905

**PLEASE NOTE:** You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred. I have:
- Enclosed \$ \_\_\_\_\_ in payment of the penalty
  - Submitted my payment of \$ \_\_\_\_\_ online at [www.utc.wa.gov](http://www.utc.wa.gov). My confirmation number is \_\_\_\_\_.
2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons for a decision by an administrative law judge:
3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:
- a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision
  - OR  b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: \_\_\_\_\_ [month/day/year], at \_\_\_\_\_ [city, state]

\_\_\_\_\_  
Name of Respondent (company) – please print

\_\_\_\_\_  
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet’s written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

ATTACHMENT B

Judge Gregory J. Kopta  
Administrative Law Judge  
Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

June 4, 2014

RE: NextNet Telecom – UT- 140905 Penalty

Dear Judge Gregory J. Kopta,

Your letter was forwarded to me regarding a Penalty Assessment for NextNet Telecom. This entity ceased to exist in 2012, and was formally cancelled in 2013. This company has never had revenue or sold any services. The WUTC was informed in 2012 that this company was not active and no longer intended to operate. It appears that WUTC has failed to cancel this entity, if your letter is correct.

I am merely providing this as information, since there is no longer an entity called NextNet Telecom in Washington.

Thank you,



John Warta

An individual

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on June 2, 2014

<sup>2</sup>See attachment B for a copy of NextNet's written statement received on June 9, 2014

<sup>3</sup>See attachment C for a copy of the Department of Revenue withdrawal form received on June 9, 2014

ATTACHMENT C



Washington State  
Department of Revenue  
Audit Division  
PO Box 47474  
Olympia WA 98504-7474  
Fax number (360) 586-7803  
DORCD@dor.wa.gov

**Revenue Clearance Certificate Application**  
(Withdrawal or Dissolution of a Corporation and Guaranty)

All Fields Must Be Completed

FEIN Number ????

1. Name of Corporation NextNet Telecom Tax Registration UBI Number: 602-240-457

421 C Street, Unit 1A Washougal WA 98671  
Street Address City State Zip

2. What is the address of the business in Washington? 421 C Street, Unit 1A

3. What did the company do in Washington? Nothing - No Activity

4. Last date corporation had business activity in Washington State: Never Did - No Activity

5. Have all tax returns been filed and paid through the date entered on Question 4 above?  Yes  No  
**If all excise tax returns have not been filed and paid, the application cannot be processed**

6. If the business is to be continued by someone else (successor), please provide the following information.

Name of Successor None Tax Registration UBI Number none  
Street Address City State Zip

7. Name and phone number of the person to contact if there are questions regarding this application.  
Name john warta Phone 3603350634 Email/DOR Logon ID P68wa@aol.com

8. Name and address where you would like the Department of Revenue Clearance Certificate mailed.  
Name john warta Phone 3603358844 Email/DOR Logon ID P68wa@aol.com  
421 C Street, Unit 1A Washougal WA 98671  
Mailing Address City State Zip

I certify that the above information is true and correct. In consideration of the issuance by the Department of Revenue of its certificate certifying that every license fee, tax increase or penalty imposed under Chapter 180, Laws of 1935 has been paid or provided for by said corporation, the undersigned hereby agrees to pay to Department of Revenue, upon its demand, any and all such fee, tax increase or penalty as may hereafter be determined to be unpaid and payable by this corporation.

Corporate Officer Signature [Signature] Date Sept 29 2013  
Print Name John Warta Title Chairman

Application cannot be processed if not signed and dated.

REV 31 0037 (01/12)

2014 JUN -9 AM 8:15

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