

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Revocation of the
Competitively Classified
Telecommunications Company
Registrations of

DOCKET UT-240591

CROSS STREAM
COMMUNICATIONS, INC.; KDDI
AMERICA, INC.; COMTECH 21, LLC;
SQF, LLC; MODUS NETWORKS,
LLC; CORETEL WASHINGTON, INC.

ORDER 01

for Failure to File Annual Reports and/or
Pay Regulatory Fees

REVOKING
TELECOMMUNICATIONS
COMPANY REGISTRATIONS

BACKGROUND

- 1 Competitively classified telecommunications companies regulated by the Washington Utilities and Transportation Commission (Commission) must file annual reports and pay regulatory fees annually pursuant to Revised Code of Washington (RCW) 80.04.080, RCW 80.24.010, and Washington Administrative Code (WAC) 480-120-382. Under the authority of RCW 80.04.080 and WAC 480-121-060, the Commission may revoke the registration of a competitively classified telecommunications company for failure to file an annual report or pay a regulatory fee.
- 2 On October 3, 2024, the Commission served Cross Stream Communications, Inc.; KDDI America, Inc.; Comtech 21, LLC; SQF, LLC; Modus Networks, LLC; and CoreTel Washington, Inc. (collectively, “the Companies”; individually, “Company”) with a Notice of Intent to Cancel Registration as a Competitively Classified Telecommunications Company and Opportunity to Request a Hearing (Notice) for failure to file 2023 annual reports and/or pay 2024 regulatory fees.¹ The Notice informed the Companies that the Commission would revoke each Company’s registration without further notice unless the Company filed its delinquent annual report and paid its

¹ Under WAC 480-07-150(4), the Commission may serve documents electronically except where proof of service is required by law. The Commission’s Final Order adopting changes to WAC 480-07 accepted Staff’s position that electronic service is acceptable for commencing adjudicative proceedings against regulated companies. *See* General Order 588 – Final Adoption Order – WSR 17-06-051, Docket A-130355 ¶16 and Appendix A (March 2, 2017).

delinquent regulatory fee, or requested a hearing to demonstrate why its registration should not be revoked within 30 days of the date the Notice was served. None of the Companies identified herein followed through with one or more of these requirements.

DISCUSSION AND DECISION

3 The Commission exercises its discretion to revoke the Companies' competitively classified telecommunications company registrations. The Commission's ultimate goal in any enforcement action is to ensure compliance with the laws and rules that the Commission administers. Pursuant to RCW 80.04.080, RCW 80.24.010, and WAC 480-120-382, competitively classified telecommunications companies must submit annual reports and regulatory fees to the Commission by May 1 of each year. The Companies did not make the requisite submissions. Accordingly, the Commission notified the Companies that their registrations would be revoked unless the Companies attained compliance or requested a hearing within 30 days. The Companies did not come into compliance or otherwise respond.

4 We find that each Company's failure to file its annual report and/or pay its regulatory fee is a willful violation of the laws and rules the Commission is charged with enforcing. WAC 480-121-060 provides that the Commission may revoke the registration of a competitively classified telecommunications company, after notice and opportunity for a hearing, for good cause. Under this rule, good cause includes the failure to file an annual report and/or the failure to pay the annual regulatory fee. The failure of the Companies to file annual reports and/or pay regulatory fees is good cause to revoke the Companies' registrations.

FINDINGS AND CONCLUSIONS

- 6 (1) The Commission is an agency of the state of Washington with the authority to regulate telecommunications companies as defined in RCW 80.36.
- 7 (2) The Companies are public service companies as defined in RCW 80.04.010 and are registered with the Commission as competitively classified telecommunications companies.
- 8 (3) On October 3, 2024, the Commission notified the Companies that their competitively classified telecommunications company registrations would be revoked if the Companies failed to file annual reports and pay regulatory fees within 30 days. The Commission also notified the Companies that they could request a hearing to contest revocation of their registrations.
- 9 (4) The Companies have either not filed annual reports or paid regulatory fees or neglected to do both, which were due May 1, 2024.
- 10 (5) The Commission provided notice and opportunity for a hearing, but the Companies did not request a hearing.

- 11 (6) Under WAC 480-121-060, the Commission may revoke a telecommunications company's registration, after notice and opportunity for a hearing, for good cause. Good cause includes failure to file an annual report and failure to pay regulatory fees.
- 12 (8) The failure of the Companies to file the annual reports and pay the regulatory fees due May 1, 2024, constitutes good cause to revoke their registrations as competitively classified telecommunications companies.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The telecommunications company registrations of Cross Stream Communications, Inc.; KDDI America, Inc.; Comtech 21, LLC; SQF, LLC; Modus Networks, LLC; and CoreTel Washington, Inc. are revoked effective on the date this Order is served.
- 14 (2) Cross Stream Communications, Inc.; KDDI America, Inc.; Comtech 21, LLC; SQF, LLC; Modus Networks, LLC; and CoreTel Washington, Inc. are directed to cease all operations associated with their telecommunications company registrations.
- 16 The Commission has delegated authority to the Administrative Law Director, or an administrative law judge the Administrative Law Director delegates, to enter this Order under WAC 480-07-917(5).

DATED at Lacey, Washington, and effective December 13, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ James E. Brown II
JAMES E. BROWN II
Acting Director, Administrative Law Division

NOTICE TO PARTIES: This is an order delegated to the Administrative Law Director for decision. As authorized in WAC 480-07-904(3), you must file any request for Commission review of this order no later than 14 days after the date the decision is posted on the Commission's website.