**MEMORANDUM**

**May 31, 2016**

TO: Greg Kopta

FROM: Suzanne Stillwell, Tim Zawislak, and Sean Bennett

CC: David Pratt, Jing Roth, Mike Dotson,

 Jennifer Cameron-Rulkowski, and Sondra Walsh

**RE: Dockets UT-160475 and UT-160476**

On May 4, 2016, NECC Telecom, Inc. and Pulse Telecom LLC (respectively) filed petitions for registration and competitive classification. Both companies were previously registered with the commission, were assessed penalties by the commission, and then ceased doing business in the state. Now, both companies wish to re-register as long distance telecommunications providers. Outstanding penalties in the amount of $1,050 for each company remain unpaid.

Under WAC 480-121-020(3), the commission may require that an applicant show compliance with all applicable federal, state, and local telecommunications technical and business regulations. Under WAC 480-121-040(2), the commission may deny an application for registration if, after hearing, the commission finds that the application is not consistent with the public interest. These companies’ failure to comply with the commission’s penalty assessment indicates that these companies are unwilling or unable to comply with commission regulations and that their applications may be incompatible with the public interest.

Additionally, commission staff’s review of the companies’ balance sheets (which were filed as **“Confidential per WAC 480-07-160”**) indicate that the applicants may not possess adequate financial resources to provide the proposed services. Under RCW 80.36.350(3) and WAC 480-121-040(2)(c), the commission may deny registration to a telecommunications company that does not possess adequate financial resources to provide the proposed service.

Therefore, commission staff recommend that the commission issue notices of intent to deny both applications and set these matters for hearings in Dockets UT-160475 and UT-160476.[[1]](#footnote-1)

1. *The commission shall take action to approve or issue a notice of hearing concerning any application for registration within thirty days after receiving the application.* RCW 80.36.350. In this case notice of hearing must be issued by June 3, 2016. [↑](#footnote-ref-1)