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1 BEFORE THE WASHINGTON UTILITIES AND
2 TRANSPORTATION COMMISSION

3 WASHINGTON UTILITIES AND) Docket No. UT-010278
4 TRANSPORTATION COMMISSION,) Volume I
) Pages 1 to 9
5 Complainant,)
)
6 vs.)
)
7 REGISTERED TELECOMMUNICATIONS)
8 COMPANIES IDENTIFIED IN)
ATTACHED APPENDIX A,)
_____)

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10 A hearing in the above matter was held on
11 July 6, 2001, at 10:00 a.m., at 1300 South Evergreen
12 Park Drive Southwest, Room 108, Olympia, Washington,
13 before Administrative Law Judge LAWRENCE BERG.

14 The parties were present as follows:

15 THE COMMISSION, by Jonathan Thompson,
16 Assistant Attorney General, 1400 South Evergreen Park
Drive Southwest, Olympia, Washington 98504-0128.

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24 Joan E. Kinn, CCR, RPR
Court Reporter

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P R O C E E D I N G S

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JUDGE BERG: This is a hearing for comment, oral comments, in Docket Number UT-010278. This case is captioned Washington Utilities and Transportation Commission, Complainant, versus Registered Telecommunications Companies. Those registered telecommunications companies, numbers 54 in total, are identified on an appendix that was attached to the notice of this hearing served on the parties on May 29, 2001.

My name is Lawrence Berg. I'm the presiding officer appointed by the Commission in this proceeding. The notice that was served on parties on May 29, 2001, established that the Commission determined this matter appropriate for a brief adjudicative proceeding pursuant to RCW 34.05.482 and WAC 480-09-500(1).

Today's date is July 6, 2001. This hearing is being conducted at the Commission's headquarters in Olympia, Washington. This matter is being heard pursuant to due and proper notice to all interested persons. At this time, we will take appearances for the record.

MR. THOMPSON: I'm Jonathan Thompson, Assistant Attorney General, representing Commission Staff. Would you like me to give my address and that

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1 information?

2 JUDGE BERG: Yes, please.

3 MR. THOMPSON: My address is 1400 South
4 Evergreen Park Drive Southwest, P.O. Box 40128, Olympia,
5 Washington 98504, and my telephone number is (360)
6 664-1225.

7 JUDGE BERG: At this time, are there any
8 other parties who wish to enter an appearance?

9 Let the record reflect that there are no
10 other parties present.

11 The purpose of this brief adjudicative
12 proceeding is to address the failure of registered
13 telecommunications companies to pay their regulatory fee
14 and/or file their annual report as required by
15 Washington statute and Commission rule. A brief
16 adjudicative proceeding by its very nature is intended
17 to be less formal than a regular contested adjudicative
18 proceeding.

19 And at this point, we will turn to Commission
20 Staff and have Staff make any oral comments it may wish
21 to make at this time. I will take note that parties
22 have previously had the opportunity to file written
23 statements and responses to written statements.
24 Commission Staff in support of its complaint filed
25 declarations and supporting documentary evidence for

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1 each of the 54 companies originally named in the notice.

2 Mr. Johnston.

3 MR. JOHNSTON: Yes, sir.

4 JUDGE BERG: Why don't you go ahead and for

5 the record introduce yourself and your title at the

6 Commission.

7 MR. JOHNSTON: My name is Robert Johnston,

8 last name is spelled J-O-H-N-S-T-O-N. I'm a compliance

9 specialist in business practice investigations group of

10 the Commission. I have worked for the Commission for 23

11 years in different positions, this position the last two

12 years.

13 Briefly, the way I see it, this proceeding is

14 we're coming to request the revocation of registrations

15 of telecommunications companies generally that have been

16 nonresponsive to Commission requirements.

17 A brief coverage of the rules. RCW 08.04.080

18 states that every public service company shall annually

19 furnish the Commission with a report in such form as the

20 Commission may require and that such reports shall be

21 filed on such date as required by the rule. And the

22 rule, WAC 480-120-033, states that this annual report of

23 local and competitive telecommunications companies shall

24 be filed with the Commission no later than May 1 of the

25 succeeding year. RCW 80.24.010 states that every public

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1 service company subject to regulation by the Commission
2 shall pay a regulatory fee and that the fee shall in no
3 case be less than \$1.

4 Now we come to WAC 480-121-060 allows the
5 Commission to revoke a registration after hearing for
6 good cause. Good cause includes failure to file an
7 annual report, pay regulatory fees, or maintain correct
8 contact information including current address and
9 telephone number.

10 Now the Commission Staff undertook this
11 project to make current the records of
12 telecommunications companies that were registered with
13 the Commission to do business in the state of
14 Washington, and Staff identified initially 54 companies
15 which we have the documents today that were involved in
16 this hearing. They were identified because most or all
17 of the companies failed to respond to Commission
18 reporting and regulatory fee requirements for one or
19 more years. The test year in each of these statements
20 is 1999.

21 The Commission has no current address or
22 telephone number for most or all of these companies, and
23 it's believed that many of these companies may have gone
24 out of business or moved without informing the
25 Commission or providing forwarding addresses. I led a

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1 group consisting of a total of six staff members, and
2 our goal was to determine the status of these companies.
3 If the companies could not be located or would not
4 respond and comply with Commission requirements, our
5 responsibility was to gather information to be used at
6 this proceeding.

7 The methods we used. First, Staff verified
8 Commission records located both at the records center
9 and in financial services to verify that the company had
10 neither filed annual reports nor paid regulatory fees.
11 Staff searched various secretaries of states records
12 available on the Internet. If the company was
13 incorporated, what we found, most records showed that
14 these companies were inactive, that they had not kept
15 their corporate registration current and in Washington.
16 We did look at other states, the ones that they were a
17 domicile in, looked at various secretary states offices.
18 We weren't able to look at all of them. It was just a
19 sampling. We found basically the same information, that
20 they were inactive.

21 On some of them, we searched the Internet.
22 We looked at the Internet yellow pages, in some cases
23 the white pages, to check for these companies or in some
24 cases the officers of the companies to see, and we
25 checked in their last known domicile, geographic

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1 locations. We were able to find very few listings of
2 the companies to indicate they were even active in that
3 area, and the ones that we did find either had the same
4 information that we had in our official records, or if
5 it was different, such as a telephone number, we
6 attempted to call that number and were unsuccessful at
7 contacting any of these companies in that fashion too.

8 Once these steps were completed, Staff
9 completed the declarations for each company that are
10 included and attached any supporting documentation that
11 was available. As for trying to contact them
12 additionally, first, mailings of these proceedings were
13 sent to the last known address, and the address was the
14 address that was in our records center. Also a copy of
15 the mailing was sent to the listed service agents for
16 each company. Mostly these service agents were obtained
17 through the secretary of state's office for the
18 corporate registrations.

19 JUDGE BERG: Was that a certified mailing to
20 the registered agent?

21 MR. JOHNSTON: Yes, it was certified to both
22 parties, a total of 54 companies, I believe we sent out
23 91 certified mailings. Several of them did not have
24 service agents, those that were domiciled in Washington
25 or companies that were not corporations and we didn't

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1 have that information. The mailings included the
2 hearing notice and a request for cancelation of
3 registration. We got back by far the majority of the
4 mailings came back as undeliverable, no longer at that
5 address.

6 In regard to responses, one company completed
7 and returned the request for cancellation, and that
8 company can be removed from this proceeding. The name
9 of the company that returned their request for
10 cancellation is Preferred/Telecom, Inc. The records
11 center has processed this request and canceled them.
12 One other company received the mailing and complied by
13 submitting annual report and regulatory fees and can
14 also be removed from this proceeding. This company is
15 Centel of Washington, Inc. And those are the only two
16 responses we received back from the companies.

17 We also received one or two letters from
18 service agents that had made attempts and sent us back a
19 letter that says, we have made all the attempts we can,
20 and we're returning this, we couldn't find them either.
21 And one of those was from the company that requested the
22 cancellation. So at this time, Staff is requesting the
23 remaining 52 telecommunications companies' registrations
24 be revoked for failure to comply with the Commission
25 requirements.

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1 JUDGE BERG: Thank you very much for your
2 presentation, Mr. Johnston.

3 At this time, the Commission will take this
4 matter under advisement and will issue an order in due
5 course.

6 Are there any other matters that relate to
7 this case that you wish to raise at this time,
8 Mr. Thompson?

9 MR. THOMPSON: No, I don't have anything to
10 add. That was very thorough by Mr. Johnston.

11 JUDGE BERG: All right, then at this time, we
12 will be adjourned.

13 (Hearing adjourned at 10:20 a.m.)

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