

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

RURAL TELECOM EXPERTS, INC.

For Registration and Competitive  
Classification as a Telecommunications  
Company

DOCKET UT-250374

ORDER 01

INITIAL ORDER DENYING  
REGISTRATION AS A  
TELECOMMUNICATIONS  
COMPANY; DEFAULT ORDER

**BACKGROUND**

- 1 On May 18, 2025, Rural Telecom Experts, Inc. (RTE or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application and petition for classification to operate in Washington as a competitive telecommunications company in Docket UT-250374.<sup>1</sup>
- 2 On June 17, 2025, the Commission issued a Notice of Intent to Deny Petition for Registration and Notice of Hearing (Notice), setting a hearing for Wednesday, July 9, 2025, at 9:30 a.m. The factual allegations contained in the Notice indicate that RTE's initial filing included a balance sheet showing that the Company had no assets.<sup>2</sup> However, after Commission staff (Staff)<sup>3</sup> worked with RTE to obtain a more detailed balance sheet, it received an updated version reflecting the Company had negative equity, and that its primary asset was an automobile.<sup>4</sup>

---

<sup>1</sup> The Commission approved a previous application for registration as a competitive telecommunications carrier filed by Rural Telecom Experts (RTE) in Docket UT-210788. The Commission later revoked that registration in Docket UT-230837 after the Company failed to file its 2022 annual report and/or pay its 2023 regulatory fees.

<sup>2</sup> *In the Matter of the Petition of Rural Telecom Experts, Inc. for Registration and Competitive Classification as a Telecommunications Company*, Docket UT-250374, Notice of Intent to Deny Petition for Registration and Notice of Hearing (Notice) at 1 ¶ 5 (June 17, 2025).

<sup>3</sup> In formal proceedings, such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To ensure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

<sup>4</sup> Notice at 1 ¶ 5 (June 17, 2025).

- 3 On July 9, 2025, a virtual Brief Adjudicative Proceeding was conducted before the presiding Administrative Law Judge (ALJ), Amy Bonfrisco. Jeff Roberson, Assistant Attorney General, represented Staff and Tim Zawislak appeared as a witness for Staff. RTE did not appear at the hearing or submit a request for continuance.

### DISCUSSION

- 4 **Default.** Staff moved for an order of default pursuant to Revised Code of Washington (RCW) 34.05.440(2) and Washington Administrative Code (WAC) 480-07-450(1)<sup>5</sup> for the Company's failure to appear or participate. Additionally, Staff requested that it be allowed to present its case against RTE and dispose of the substantive issues in this matter.<sup>6</sup>
- 5 The record reflects that the Commission electronically served RTE with the Notice on June 17, 2025, 23 days in advance of the hearing in accordance with WAC 480-07-150(4)(a). Accordingly, given that RTE was properly and legally served and provided due and proper notice of the time and place set for the hearing<sup>7</sup> and did not appear, the presiding ALJ orally granted Staff's motion to enter a default order and to hear Staff's case on the merits.<sup>8</sup>
- 6 At the hearing, the presiding ALJ admitted the following exhibits into the record: (1) RTE's Application for Registration and Competitive Classification; (2) RTE's 2024 annual report; and (3) RTE's updated balance sheet as of December 21, 2024.<sup>9</sup> Staff also presented testimony from Staff witness Zawislak, a Regulatory Analyst within the telecommunications section who has worked for the Commission for approximately 35 years and is responsible for reviewing telecommunication company filings.<sup>10</sup>
- 7 Zawislak testified that after RTE submitted its initial filing and 2024 annual report on May 18, 2025, he discovered several defects, including discrepancies with naming conventions of its attached 2024 annual filing, and that the Company's reported assets

---

<sup>5</sup> WAC 480-07-450(1) further provides that the "commission may dismiss a party or find a party in default for failure to appear at the time and place set for hearing" and "will implement any dismissal or default by a written order," to "dispose of the issues in the proceeding, as provided by RCW 34.05.440."

<sup>6</sup> Docket UT-250374, Brief Adjudicative Proceeding, Roberson Tr. at 5:11-22 (July 9, 2025).

<sup>7</sup> Docket UT-250374, Notice at 2 ¶ 12.

<sup>8</sup> Bonfrisco Tr. at 5:18-22.

<sup>9</sup> Roberson, Tr. at 8-15 laying foundation for Exhibits TZ-1, TZ-2, and TZ-3.

<sup>10</sup> Zawislak, Tr. at 8:10-25.

and liabilities stated zero.<sup>11</sup> Zawislak further testified that after he left a voice mail, exchanged emails, and set up a conference call with one of the principals of the Company, he received an updated balance sheet, which demonstrated that RTE did not have sufficient financial resources to provide the services it proposed.<sup>12</sup> Zawislak explained that he determined RTE effectively had negative equity as of December 31, 2024, primarily because the Company had “substantial liabilities,” and “a net loss for 2024,” with their primary asset being an automobile, which has significantly depreciated since its purchase date in 2018.<sup>13</sup>

8     **Applicable Law.** Pursuant to RCW 80.36.350, telecommunications companies that are not operating under a tariff in Washington state must petition for registration on a form prescribed by the Commission before beginning any operations in the state and at a minimum provide the following information:

- (a) the name and address of the company and its registered agent;
- (b) the name, address, and title of each officer or director
- (c) the company’s most current balance sheet, annual report, and a description of the telecommunications services it intends to offer together with additional items enumerated in the statute.

9     RCW 80.36.350 further states that the Commission may deny an application where the applicant “[d]oes not possess adequate financial resources to provide the proposed service[.]” Additionally, under WAC 480-121-020(3)(a), the Commission may require that a petitioner show adequate financial resources to provide the proposed service. Pursuant to WAC 480-121-040(2)(c), the Commission may deny a petition for registration if, after hearing, it finds that the applicant does not possess adequate financial resources to provide proposed services.

10    Based on Staff’s testimony and review of RTE’s financial information admitted to the record, we find that the Company failed to demonstrate that it has the adequate financial resources to provide the telecommunication services proposed, especially given that the updated balance sheet reflected that the Company had negative equity as of December 31, 2024. Accordingly, we deny RTE’s application for registration and competitive classification.

---

<sup>11</sup> Zawislak, Tr. at 12:22-25, 13:1-3 and 13:17-21.

<sup>12</sup> Zawislak, Tr. at 16:9-11.

<sup>13</sup> Zawislak, Tr. at 15:7-14.

**FINDINGS AND CONCLUSIONS**

- 11      (1)      The Commission is an agency of the state of Washington, vested by statute with authority to regulate telecommunication companies as defined in chapter 80.36 RCW.
- 12      (2)      The Commission has jurisdiction over the subject matter of this proceeding and over Rural Telecom Experts, Inc.
- 13      (3)      Rural Telecom Experts, Inc. had adequate notice of the hearing in this docket on July 9, 2025, and did not appear or otherwise respond to that notice. Pursuant to RCW 34.05.440(2), therefore, Rural Telecom Experts, Inc. should be held in default.
- 14      (4)      Under RCW 80.36.350 and WAC 480-121-040(2)(c), after notice and an opportunity for hearing, the Commission finds good cause to deny Rural Telecom Experts Inc.'s petition for registration and competitive classification on the basis that it does not possess the adequate financial resources to provide the proposed telecommunication services.

**ORDER**

**THE COMMISSION ORDERS:**

- 15      (1)      The Commission holds Rural Telecom Experts Inc. in default. Should Rural Telecom Experts Inc. fail to respond to the Order by filing a written motion within ten (10) days requesting that the order be vacated pursuant to WAC 480-07-450(2), the default in this proceeding shall remain in place.
- 16      (2)      Rural Telecom Experts Inc.'s petition for registration and competitive classification is DENIED.
- 17      (3)      The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

Dated at Lacey, Washington, and effective August 8, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Amy Bonfrisco  
AMY BONFRISCO  
Administrative Law Judge

## NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

**WAC 480-07-450(2) states that a party held in default has 10 days after service of a default order to file a written motion requesting the order be vacated and the proceeding reopened for further process. The party held in default must state the grounds relied upon, including its reasons for failing to appear.**

**A party held in default must file a written motion requesting the order be vacated pursuant to WAC 480-07-450(2) within 10 days after service in order to have the Commission consider a Petition for Administrative Review from that party.**

WAC 480-07-610(7) provides that any party to this proceeding has twenty-one (21) days after the entry of this Initial Order to file a *Petition for Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-610(7)(b). WAC 480-07-610(7)(c) states that any party may file a *Response* to a Petition for review within seven (7) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5). Any Petition or Response filed must also be electronically served on each party of record as required by WAC 480-07-140(1)(b).