

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment Against
IBFA ACQUISITION COMPANY, LLC, in
the Amount of \$100

DOCKET NO. UT-060977

DECLARATION OF
SHERI HOYT

SHERI HOYT, under penalty of perjury under the laws of the state of Washington, declares as follows:

1. I am over 18 years of age, a citizen of the United States, a resident of the state of Washington, and competent to be a witness.
2. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Compliance Specialist in the Business Practices Investigations Section. I have been employed at the Commission for over 13 years, holding various positions. As a Compliance Specialist, my responsibilities include conducting investigations regarding the business practices of regulated utility or transportation companies. As part of those duties, I investigate telecommunications companies that may be operating in violation of Commission statute, rule, or tariff.
3. On July 20, 2006, IBFA Acquisition Company, LLC (IBFA) filed with the Commission an Application for Mitigation of Penalties (Mitigation Application) in Docket No. UT-060977. I have read the Mitigation Application. In the Mitigation Application, the company admits the violation, waives a hearing, and asks for an administrative decision.
4. This Mitigation Application arises from a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued by the Commission on July 5, 2006, in Docket No. UT-060977. In that Notice, the Commission issued a penalty of \$100 for a violation of Washington Administrative Code 480-120-382, which requires competitively classified telecommunications companies to file annual reports with the Commission no later than May 1 each year.
5. Before recommending the Commission issue penalties, as part of my job, I conducted an investigation of IBFA's records. My investigation resulted in an investigation report titled, "Staff Investigation - 2005 Annual Reports." A true and accurate copy of that investigation report is attached to this declaration as Attachment A.
6. I identified the violation in this case from records maintained by the Commission.

Specific Issues Addressed by IBFA in its Mitigation Request

The year 2005 was the first year of operation and the company has no record of receiving the 2005 Annual Report packet.

7. IBFA was granted registration effective June 2, 2005. The annual report packet and the penalty assessment were both mailed to the same address. IBFA received the penalty assessment; therefore, it stands to reason that the company received the annual report packet as well.

The company's total intrastate operating revenue was only \$3,952 and no regulatory fee was due. Therefore, a \$100 penalty seems excessive.

8. The \$100 penalty was assessed for failure to file the annual report timely. It is independent of the revenue a company earns and has no bearing on whether a company owes a regulatory fee or not.

Staff Recommendation

9. The Commission should reject IBFA's Mitigation Application, because it should be presumed that the company received the annual report packet, as explained in paragraph seven above, and because the \$100 penalty is not excessive, as set out in paragraph eight.

DATED this 2nd day of August 2006 at Olympia, Washington.

SHERI HOYT

Attachment A

Telecommunications Companies Staff Investigation - 2005 Annual Reports June 12, 2006

Purpose

The purpose of this investigation is to determine if 155 telecommunications companies¹ are in violation of Washington Administrative Code (WAC) 480-120-382. WAC 480-120-382 requires competitively classified telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

Background

This investigation was prompted by commission staff's yearly review of annual reports for telecommunications companies registered in the state of Washington.

On March 3, 2006, the commission mailed 2005 Annual Report forms and 2006 Regulatory Fee packets to local and competitive telecommunications companies registered in Washington State. A letter from Executive Secretary Carole Washburn instructed companies to file annual reports and pay regulatory fees by May 1, 2006. Further, the letter stated failure to file the annual report by May 1 would result in a penalty and possible revocation of the company's registration to operate in Washington. Those companies wishing to request an extension to file the annual report were asked to do so prior to May 1, providing a reason for the requested extension².

Investigation

The 155 telecommunications companies listed in attached Appendix A failed to file their 2005 annual reports by the May 1 deadline.

A review of the commission's Records Management System revealed Intelligent Community Services requested an exemption from WAC 480-15-480 to late file its 2005 annual report. The company was granted an extension to file its 2005 annual report on or before May 17, 2006. The company failed to meet the extension deadline. The annual report was received by the commission on May 30, 2006.

In addition, on April 28, 2006, Eschelon Telecom of Washington, Inc. (Eschelon), filing on behalf of itself and its subsidiaries, Advanced Telcom, Inc. (Advanced Telcom) and Shared Communications Services, Inc. (Shared Communications), requested an extension to May 10, 2006, to file the companies' 2005 annual reports. Eschelon subsequently filed its annual report on May 15, 2006. Advanced Telcom's annual report was received on May 12, 2006, as was Shared Communications'. On May 16, 2006, Eschelon asked to withdraw the extension requests as the annual reports had been submitted. On May 17, 2006, the commission dismissed the requests as the companies had failed to file their annual reports within the requested time period.³

¹ See Appendix A for a list of the telecommunications companies.

² See Appendix B for a copy of the March 3, 2006, letter sent to telecommunications companies.

³ Requests for extensions were dismissed in Docket Numbers UT-060678, UT-060677 and UT-060679, respectively.

Recommendation:

Penalize the 154 telecommunications companies that failed to file their annual report by May 1, 2006, \$100 each for a violation of WAC 480-120-382. In addition, penalize Intelligent Community Services for failing to file its annual report by the approved extension date of May 17, 2006.

Appendix A

	Company Name	Received Yes or No	If yes, Date Received
1.	360Networks (USA), Inc.	Yes	May 15, 2006
2.	3U Telecom, Inc.	Yes	May 5, 2006
3.	ABS-CBN Telecom North America, Inc.	Yes	May 2, 2006
4.	Acceris Management and Acquisition, LLC	No	
5.	Access One, Inc. d/b/a Access One of Washington, Inc.	Yes	May 5, 2006
6.	Advanced Tel, Inc.	Yes	May 3, 2006
7.	Advanced TelCom, Inc. d/b/a Advanced Telecom Group	Yes	May 12, 2006
8.	Advanced Telemanagement Group, Inc.	Yes	May 2, 2006
9.	Aimex Communications, Inc.	Yes	May 15, 2006
10.	AK Communications, Inc.	No	
11.	Allcom, USA	No	
12.	American Cyber Corporation d/b/a Discount Plus	Yes	May 2, 2006
13.	American Fiber Network, Inc.	Yes	May 8, 2006
14.	American Phone Services, Corporation	Yes	May 12, 2006
15.	American Telecommunications Systems, Inc.	Yes	May 5, 2006
16.	AmeriVision Communications, Inc. d/b/a Lifeline Communications	No	
17.	Asia Talk Telecom, Inc. d/b/a Hellocom	Yes	May 4, 2006
18.	Axxis Communications, Inc.	Yes	May 15, 2006
19.	BAK Communications, LLC	No	
20.	BCN Telecom, Inc.	Yes	May 8, 2006
21.	Broadband Dynamics, LLC	No	
22.	Budget Phone, Inc.	Yes	May 8, 2006
23.	Business Network Long Distance, Inc.	Yes	May 2, 2006
24.	Business Telecom, Inc. d/b/a BTI	Yes	May 4, 2006
25.	CenturyTel Long Distance, LLC	Yes	May 5, 2006
26.	CI2, Inc.	No	
27.	Coast International, Inc.	Yes	May 4, 2006
28.	Cognigen Networks, Inc.	Yes	May 8, 2006
29.	Coleman Enterprises, Inc. d/b/a Local Long Distance	Yes	May 2, 2006
30.	Comcast Phone of Washington, LLC db/a Comcast Digital Phones	Yes	May 25, 2006
31.	Communications Network Billing, Inc.	Yes	May 8, 2006
32.	Cordia Communications Corp	Yes	May 3, 2006
33.	CTI Long Distance, Inc.	Yes	May 3, 2006
34.	Custom Teleconnect, Inc.	Yes	May 12, 2006
35.	DCT Telecom Group, Inc.	Yes	May 2, 2006
36.	Dial-Around Telecom, Inc.	No	
37.	dPi Teleconnect, L.L.C.	No	
38.	Eloptia Communications, LLC	No	

	Company Name	Received Yes or No	If yes, Date Received
39.	Eman Networks	No	
40.	Enhanced Communications Network, Inc.	No	
41.	Entrix Telecom, Inc.	Yes	May 17, 2006
42.	Epixtar Communications Corp.	No	
43.	Eschelon Telecom of Washington, Inc.	Yes	May 15, 2006
44.	Evercom Systems, Inc.	Yes	May 4, 2006
45.	Exergy Group, LLC	No	
46.	FreedomStarr Communications, Inc.	No	
47.	Frontier Communications of America, Inc.	Yes	May 3, 2006
48.	Gates Communications, Inc.	No	
49.	Genext, LLC	Yes	May 8, 2006
50.	Global Grid Telecom, Inc.	No	
51.	Global Tel*link Corporation	No	
52.	GlobalCom, Inc. d/b/a GCI Globalcom, Inc.	No	
53.	Go Solo Technologies, Inc.	Yes	May 9, 2006
54.	Gold Line Telemanagement, Inc.	Yes	May 2, 2006
55.	Great America Networks, Inc.	No	
56.	Harbor Communications LLC	No	
57.	HomelandTel, LLC	No	
58.	IBFA Acquisition Company, LLC	No	
59.	Infonet Telecommunications Corporation	No	
60.	Infotelecom, LLC	Yes	May 18, 2006
61.	Inland Telephone Company	Yes	May 3, 2006
62.	Inmark, Inc. d/b/a Preferred Billing	Yes	May 15, 2006
63.	Integrated Voice Services, Inc.	No	
64.	Intelligent Community Services	Yes	May 30, 2006
65.	Intrado Communications, Inc.	Yes	May 5, 2006
66.	Ionex Communications North, Inc.	No	
67.	ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom (formerly DeltaCom, Inc.)	Yes	May 5, 2006
68.	KDDI America, Inc.	Yes	May 2, 2006
69.	LDMI Telecommunications, Inc. d/b/a LDMI Long Distance	Yes	May 23, 2006
70.	LMDS Holdings, Inc.	No	
71.	Long Distance Consolidated Billing Co.	Yes	May 2, 2006
72.	Main Street Telephone Company	Yes	May 9, 2006
73.	Marathon Communications Corporation	Yes	May 3, 2006
74.	Marathon Communications, Inc.	No	
75.	Matrix Telecom, Inc.	Yes	May 2, 2006
76.	MC Services	No	
77.	McGraw Communications, Inc.	Yes	May 16, 2006
78.	MetroNet Fiber Washington, Inc.	No	
79.	Midwestern Telecommunications, Inc.	No	
80.	NCI Data.com, Inc.	Yes	June 5, 2006
81.	NECC Telecom, Inc.	Yes	May 8, 2006

	Company Name	Received Yes or No	If yes, Date Received
82.	Nehalem Telecommunications, Inc.	Yes	May 2, 2006
83.	Net One International, Inc.	No	
84.	Network Billing Systems, LLC	Yes	May 2, 2006
85.	Network PTS, Inc.	No	
86.	Neutral Tandem-Washington, LLC	Yes	May 15, 2006
87.	New Access Communications LLC	Yes	May 4, 2006
88.	NextNet Telecom, Inc.	No	
89.	NobelTel, LLC	Yes	May 8, 2006
90.	Norlight Telecommunications, Inc.	Yes	May 2, 2006
91.	Norstan Network Services, Inc.	No	
92.	Northwest Info Net, Inc.	No	
93.	Northwest Open Access Network Oregon d/b/a NoaNet Oregon	No	
94.	NTC Network, LLC	No	
95.	OneEighty Networks, Inc.	Yes	May 8, 2006
96.	Opcom, Inc. d/b/a WCS Telecom	No	
97.	Operator Service Company, LLC	Yes	May 2, 2006
98.	Opex Communications, Inc.	Yes	May 15, 2006
99.	Pend Oreille Telephone Company	Yes	May 2, 2006
100.	PHONETEC, LP	No	
101.	Pioneer Telephone Company	No	
102.	Pioneer Telephone Long Distance Company	No	
103.	Preferred Carrier Services, Inc. d/b/a Phones for All, Telefonos Para Todos	Yes	June 12, 2006
104.	PT-1 Communications, Inc.	No	
105.	PT-1 Long Distance, Inc.	No	
106.	Public Communications Services, Inc.	Yes	May 8, 2006
107.	Quality Telephone, Inc.	No	
108.	QX Telecom LLC	Yes	May 11, 2006
109.	R2C Communications, Inc.	No	
110.	RDST, Inc.	No	
111.	Reduced Rate Long Distance, LLC	Yes	May 2, 2006
112.	Reliant Communications, Inc.	Yes	May 2, 2006
113.	SC TxLink LLC	No	
114.	Shared Communications Services, Inc.	Yes	May 12, 2006
115.	Southwest Communications, Inc.	Yes	May 19, 2006
116.	Startec Global Licensing Company	Yes	May 16, 2006
117.	Syniverse Technologies, Inc.	No	
118.	Talk America, Inc.	Yes	May 5, 2006
119.	TDS Long Distance Corporation	Yes	May 12, 2006
120.	T-Netix, Inc.	No	
121.	T-Netix Telecommunications Services, Inc.	Yes	May 8, 2006
122.	Tel West Communications, LLC	Yes	May 2, 2006
123.	Telecents Communications, Inc.	Yes	May 23, 2006
124.	Telemanagement Systems, Inc.	Yes	May 11, 2006

	Company Name	Received Yes or No	If yes, Date Received
125.	Telephone Restoration Network, Inc. d/b/a Telnet, Inc.	No	
126.	Telliss, LLC	No	
127.	Telmex USA, LLC	No	
128.	Telrite Corporation	Yes	June 9, 2006
129.	Threshold Communications, Inc.	Yes	May 2, 2006
130.	Time Warner Telecom of Washington, LLC	No	
131.	Toledo Telenet Long Distance Company	Yes	May 2, 2006
132.	Toledo Telephone Co., Inc.	Yes	May 2, 2006
133.	TON Services, Inc.	No	
134.	Total Call International, Inc.	Yes	May 9, 2006
135.	Touchtone Communications, Inc.	Yes	May 18, 2006
136.	Tri-M Communications, Inc. d/b/a TMC Comm	Yes	May 9, 2006
137.	Uni-Tel Communications Group, Inc.	Yes	May 8, 2006
138.	Universal Access, Inc.	No	
139.	US LEC Communications, Inc.	Yes	May 16, 2006
140.	Value-Added Communications, Inc.	Yes	May 23, 2006
141.	Vanco Direct USA, LLC	Yes	June 9, 2006
142.	VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications & Telephone Express	No	
143.	VCI Company	No	
144.	Verizon Northwest Inc.	Yes	May 2, 2006
145.	W2COM International, LLC	No	
146.	Western CLEC Corporation	No	
147.	Westgate Communications, LLC d/b/a WeavTel	Yes	May 4, 2006
150.	Wholesale Carrier Services, Inc.	Yes	May 5, 2006
151.	Wilshire Connection, LLC	No	
152.	Winstar Communications, LLC	No	
153.	WTI, LLC	Yes	May 3, 2006
154.	Yak Communications (America) Inc.	Yes	May 3, 2006
155.	Yipes Enterprise Services, Inc.	Yes	May 2, 2006

Appendix B



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

March 3, 2006

Subject: Your Telecommunications Annual Report and Regulatory Fees are Due May 1

State law requires you to file an annual report and pay regulatory fees to the Washington Utilities and Transportation Commission.

What is required of me?

By May 1, you must:

- Complete and file the enclosed 2005 annual report form
- Pay your 2006 regulatory fees

Failure to file your annual report or pay regulatory fees by May 1 will result in a penalty and possible revocation of your registration to operate in Washington. This is the only notice you will receive from the commission.

What happens if I do not pay my regulatory fees by May 1?

If regulatory fees are not paid by May 1, you will incur:

- a 2 percent penalty on the amount due; and
- a 1 percent monthly interest charge on the unpaid balance.

Can I request an extension of time if I am unable to file the annual report by May 1?

Yes, you must provide the request in writing, including a valid reason for the extension by May 1. We will notify you when your request is approved or denied. You will still be liable for penalty and interest payments if you fail to pay your regulatory fees by May 1. Additional penalties of up to \$100 per day for late filed reports or for failure to file reports may be assessed.

Can I designate any information that I submit in my annual report as confidential?

Yes, however, you must follow the strict legal guidelines outlined in WAC 480-07-160 (3).

Where do I mail the completed annual report form and regulatory fee payment?

Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Where can I obtain an electronic version of the annual report?

Forms are available on our website at www.wutc.wa.gov. Locate "Quick Links" then select "2005 annual reports".



March 3, 2006

Page 2

Who do I contact if I have questions?

You may call 360-664-1201 or e-mail us at: annualreports@wutc.wa.gov. If you need this information in an alternate format, please call 360-664-1133. TTY Toll Free phone number is 1-800-416-5289.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carole J. Washburn".

Carole J. Washburn
Executive Secretary

Enclosures