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BEFORE THE WASHINGTON STATE

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND TRANSPORTATION,) Docket UT-143237
COMMISSION,)

5

Complainant,)

6

v.)

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7

ETHOS COMMUNICATIONS GROUP, INC., GO SOLO)

8

TECHNOLOGIES, INC., IBFA ACQUISITION)

9

COMPANY, LLC, INMATE COMMUNICATIONS)

10

CORPORATION, NET TALK.COM, INC., TCAST)

11

COMMUNICATIONS, INC., TELECARE, INC.,)

12

Respondents.)

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14

HEARING, VOLUME I

15

Pages 1-15

16

ADMINISTRATIVE LAW JUDGE RAYNE PEARSON

17

18

9:30 A.M.

19

NOVEMBER 18, 2014

20

Washington Utilities and Transportation Commission

21

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22

Olympia, Washington 98504-7250

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A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

RAYNE PEARSON
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Transportation Commission
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OLYMPIA, WASHINGTON, NOVEMBER 18, 2014

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9:30 A.M.

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P R O C E E D I N G S

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JUDGE PEARSON: Good morning. Let's be on the record in Docket UT-143237. It's 9:30 a.m. on November 18, 2014, which is the time set for hearing the Commission's complaint against seven telecommunications companies seeking to revoke their registrations for failure to file annual reports and pay regulatory fees.

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My name is Rayne Pearson, and I'm the administrative law judge presiding over this proceeding. I will list the companies in this docket shortly after I take an appearance from Commission Staff.

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MS. CAMERON-RULKOWSKI: Appearing on behalf of Commission Staff, Jennifer Cameron-Rulkowski, Assistant Attorney General. My address is 1400 South Evergreen Park Drive Southwest, P.O. Box 40128, Olympia, Washington 98504-7250. My telephone number is: 360.664.1186; my fax number is: 360.586.5522; and my e-mail address is: jcameron@utc.wa.gov.

22

23

And, Your Honor, if I may, I believe that the docket number today is TV-143237.

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JUDGE PEARSON: TV is the...

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MS. CAMERON-RULKOWSKI: Oh, excuse me, Your Honor.

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1 JUDGE PEARSON: Is assigned for household goods.

2 MS. CAMERON-RULKOWSKI: We are UT; you're correct.

3 JUDGE PEARSON: UT, yes.

4 MS. CAMERON-RULKOWSKI: Sorry. No, I've got it
5 wrong.

6 JUDGE PEARSON: Okay. Thank you. So I'll go down
7 the list of companies that are named in the complaint and see if
8 any of them happen to be appearing on the bridge line today.

9 The first is Ethos Communications Group, Inc., Go
10 Solo Technologies, Inc., IBFA Acquisition Company, LLC, Inmate
11 Communications Corporation, Net Talk.com, Inc., Tcast
12 Communications, Inc., Telecare, Inc.

13 Are any of those companies or representatives from
14 those companies on the bridge line today?

15 Okay. Hearing nothing, we can proceed.

16 Ms. Cameron-Rulkowski, go ahead when you're ready.

17 MS. CAMERON-RULKOWSKI: Thank you, Your Honor.

18 First, Staff would like to move for default of all of
19 the responding companies. Each of the companies was served by
20 the Commission by mail. The proof of service in on file in the
21 Records Center under this docket, and we each have a copy here,
22 which has been marked as Exhibit 1.

23 As you can see from the proof of service, the
24 respondents were served by First-Class Mail and by Certified
25 Mail with Return Receipt Requested at the addresses on file with

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1 the Commission. The service was valid under the Commission's
2 service rule, WAC 480-07-150, which authorizes the Commission in
3 Subsection 7 to service its notices, complaints, and orders by
4 mail properly addressed with first-class postage prepaid.

5 I will have a question or two for Ms. Andrews about
6 service once she's sworn in.

7 Staff offers Exhibit 1 for admission into evidence.

8 JUDGE PEARSON: Okay. And that exhibit is admitted.
9 We'll mark it as Exhibit 1.

10 (Exhibit No. AA-1 was marked and admitted into the
11 record.)

12 JUDGE PEARSON: And you're moving for default at this
13 time, correct?

14 MS. CAMERON-RULKOWSKI: Thank you. And Staff asks
15 the Commission to find the respondents in default under
16 RCW 34.05.440, and WAC 480-07-450, for failure to appear at this
17 hearing.

18 Staff further requests under these authorities that
19 the Commission proceed with the hearing and dispose of the
20 substantive issues.

21 JUDGE PEARSON: Okay. Thank you. The companies that
22 will be held in default are: Ethos Communications Group, Inc.,
23 Go Solo Technologies, Inc., IBFA Acquisition Company, LLC,
24 Inmate Communications Corporation, Net Talk.com, Inc., Tcast
25 Communications, Inc., and Telecare, Inc. Those companies have

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1 not come into compliance and also have not made an appearance
2 today so they will be held in default.

3 That motion is granted, and now I can swear
4 Ms. Andrews in so she can testify.

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7 AMY ANDREWS,
8 witness herein, having been first duly sworn on oath, was
9 examined and testified as follows:

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11 JUDGE PEARSON: Thank you.

12

13 D I R E C T E X A M I N A T I O N

14 BY MS. CAMERON-RULKOWSKI:

15 Q. Good morning, Ms. Andrews.

16 Please state and spell your name.

17 A. Amy Andrews; A-m-y, A-n-d-r-e-w-s.

18 Q. Please state the name of your employer.

19 A. Washington Utilities and Transportation Commission.

20 Q. In what position are you employed by the Commission?

21 A. Regulatory analyst in the Financial Services section.

22 Q. How long have you been employed in this position?

23 A. Thirteen months.

24 Q. And how long have you been employed by the
25 Commission?

A. Two years, nine months.

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1 Q. Please briefly describe your responsibilities as they
2 pertain to this matter.

3 A. I investigate whether companies regulated by the
4 Commission are in compliance with the rules to file an annual
5 report and pay regulatory fees.

6 Q. Thank you. And what statute or rule do you
7 understand to be at issue in the proceeding today?

8 A. It would be RCW 80.04.080, which requires each public
9 service company to file an annual report with the Commission,
10 RCW 80.24.010, which requires each telecommunications company to
11 pay regulatory fees to the Commission, and WAC 480-120-382,
12 which requires each competitively classed telecommunications
13 company to file an annual report and pay regulatory fees to the
14 Commission by November -- by May 1st. Sorry.

15 Q. In your understanding, is it possible under WAC
16 480-120-382, that a competitively classified telecommunications
17 company might not owe regulatory fees?

18 A. That would be correct if the company's gross interest
19 in operating revenues were less than \$20,000 for the calendar
20 year.

21 Q. And how does the Commission learn the amount of a
22 telecommunication company's intrastate operating revenue for a
23 given year?

24 A. By the annual report they submit.

25 Q. So if a telecommunications company fails to file an

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1 annual report, does the Commission even know if any regulatory
2 fees are due?

3 A. It does not.

4 Q. Are you familiar with the companies that are named in
5 this proceeding?

6 A. Yes, I am.

7 Q. I will be asking you some questions later about each
8 individual company, but can you describe generally how you are
9 familiar with the respondent companies?

10 A. After the May 1 filing deadline, I generate a list of
11 companies delinquent in filing their annual report or paying
12 their regulatory fees. This is generated from the Commission's
13 Annual Report Tracking System, which is otherwise known as
14 "ARTS." This ARTS system is where I enter the receipt
15 information for the annual reports and the payment of the
16 regulatory fees. Each delinquent company is then assessed a
17 penalty which states the company is out of compliance with the
18 rules and laws as we previously stated. The penalty assessment
19 also notifies the companies the Commission may initiate
20 proceedings to cancel their registration if they fail to come
21 into compliance with filing their annual report or paying their
22 fees.

23 Q. And did each of the companies that are respondent
24 companies in this proceeding receive that penalty and that
25 advanced warning of the revocation?

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1 A. Yes, they did.

2 Q. And, now, we'll talk briefly about service.

3 According to the proof of service in this docket, the
4 complaint was served by First-Class Mail and also was sent by
5 Certified Mail.

6 Regarding the mailing of the complaint by Certified
7 Mail, did the Commission receive Return Receipt cards from any
8 of the companies?

9 A. The Commission received receipt cards for all
10 companies with the exception of Ethos and Tcast.

11 Q. Were any of the mailings to Tcast or Ethos returned?

12 A. No, they were not.

13 Q. Thank you. And have any of the respondent companies
14 filed an annual report or paid regulatory fees since the
15 complaint was served?

16 A. No, they have not.

17 Q. And now we'll move to a discussion of each individual
18 company.

19 Was Ethos Communications Group, Inc., one of the
20 companies that you identified as delinquent with respect to
21 submission of the annual report and regulatory fees due May 1,
22 2013?

23 A. Yes.

24 Q. Has Ethos Communications since filed a 2013 annual
25 report or paid the 2014 regulatory fees?

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1 A. No.

2 Q. What is your recommendation to the Commission
3 regarding this company?

4 A. I recommend that the Commission revoke the company's
5 registration.

6 Q. Was Go Solo Technologies, Inc., one of the companies
7 that you identified as delinquent with respect to submission of
8 the annual report and regulatory fees due May 1, 2013?

9 A. Yes.

10 Q. Has Go Solo Technologies since filed a 2013 annual
11 report or paid the 2014 regulatory fees?

12 A. No.

13 Q. What is your recommendation to the Commission
14 regarding this company?

15 A. I recommend that the Commission revoke the company's
16 registration.

17 Q. Was IBFA Acquisition Company, LLC, one of the
18 companies that you identified as delinquent with respect to
19 submission of the annual report and regulatory fees due May 1,
20 2013?

21 A. Yes.

22 Q. Has IBFA Acquisition Company since filed a 2013
23 annual report or paid the 2014 regulatory fees?

24 A. No.

25 Q. What is your recommendation to the Commission

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1 regarding this company?

2 A. I recommend that the Commission revoke the company's
3 registration.

4 Q. Was Inmate Communications Corporation one of the
5 companies that you identified as delinquent with respect to
6 submission of the annual report and regulatory fees due May 1,
7 2013?

8 A. Yes.

9 Q. Has Inmate Communications since filed a 2013 annual
10 report or paid the 2014 regulatory fees?

11 A. No.

12 Q. What is your recommendation to the Commission
13 regarding this company?

14 A. I recommend that the Commission revoke the company's
15 registration.

16 Q. Was Net Talk.com Inc., one of the companies that you
17 identified as delinquent with respect to submission of the
18 annual report and regulatory fees due May 1, 2013?

19 A. Yes.

20 Q. Has Net Talk.com since filed a 2013 annual report or
21 paid the 2014 regulatory fees?

22 A. No.

23 Q. What is your recommendation to the Commission
24 regarding this company?

25 A. I recommend that the Commission revoke the company's

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1 registration.

2 Q. Was Tcast Communications, Inc., one of the companies
3 that you identified as delinquent with respect to submission of
4 the annual report and regulatory fees due May 1, 2013?

5 A. Yes.

6 Q. Has Tcast Communications since filed a 2013 annual
7 report or paid the 2014 regulatory fees?

8 A. No.

9 Q. What is your recommendation to the Commission
10 regarding this company?

11 A. I recommend the Commission revoke the company's
12 registration.

13 Q. Was Telecare, Inc., one of the companies that you
14 identified as delinquent with respect to submission of the
15 annual report and regulatory fees due May 1, 2013?

16 A. Yes.

17 Q. Has Telecare since filed a 2013 annual report or paid
18 the 2014 regulatory fees?

19 A. No.

20 Q. What is your recommendation to the Commission
21 regarding this company?

22 A. I recommend the Commission revoke the company's
23 registration.

24 MS. CAMERON-RULKOWSKI: Thank you.

25 I have no further questions for Ms. Andrews at this

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1 time.

2 In summary, Staff recommends that under the authority
3 of WAC 480-121-060, the Commission revoke the registration of
4 each of the respondent companies for failure to file an annual
5 report and failure to pay regulatory fees.

6 And that concludes Staff's presentation.

7 JUDGE PEARSON: Thank you. And just to clarify, I
8 will mark the exhibit as AA-1 because Ms. Andrews is the one
9 offering it. I didn't say that initially.

10 MS. CAMERON-RULKOWSKI: That's fine, Your Honor.

11 JUDGE PEARSON: So I will issue an initial order in
12 this docket reflecting that seven companies were held in default
13 today for failing to appear. The record supports not only
14 holding those companies in default but also revoking their
15 telecommunications registration.

16 Is there anything else today?

17 MS. CAMERON-RULKOWSKI: Nothing further from Staff,
18 Your Honor.

19 JUDGE PEARSON: Okay. Then we're adjourned. Thank
20 you.

21 (Proceeding concluded at 9:44 a.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter
and Notary Public in and for the State of Washington, do hereby
certify that the foregoing transcript is true and accurate to
the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal
this 1st day of December, 2014.

SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:
June 29, 2017

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