

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment
Against GLOBALCOM, INC., D/B/A GCI
GLOBALCOM, INC., 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 14 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 September 13, 2006, Globalcom, Inc. d/b/a GCI Globalcom, Inc. (Globalcom) 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 Globalcom'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 Globalcom in its Mitigation Request

The untimely filing was an isolated event, caused in part by Globalcom's corporate headquarters relocation and the assignment of additional duties to Globalcom's clerk responsible for filing annual reports.

7. Globalcom was granted registration effective June 28, 2000. The following year, the first year Globalcom filed an annual report with the Commission, is the only year Globalcom has filed timely, as indicated below:

| Reporting Year | Date Globalcom filed its annual report |
|----------------|--|
| 2000 | April 27, 2001 |
| 2001 | May 20, 2002 |
| 2002 | June 19, 2003 |
| 2003 | May 5, 2004 |
| 2004 | May 18, 2005 |

8. Globalcom's late filing of its 2005 Annual Report is only the latest instance in a history of consistently failing to file timely and is not an isolated event. In addition to Globalcom's late filing its 2005 Annual Report, it failed to file its Application for Mitigation of Penalties timely. Globalcom received the penalty assessment by certified U.S. Postal mail on July 10, 2006, as Attachment B demonstrates. An Application for Mitigation of Penalties should have been filed with the commission no later than July 25, 2006. Globalcom's Mitigation Application was received almost two months late.

Staff Recommendation

9. The Commission should reject the Application for Mitigation of Penalties as untimely. Furthermore, Globalcom's claim that the late filing of its annual report is an isolated event does not justify mitigation because the claim is untrue.

DATED this 27th day of September 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. | Etopia 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

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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

Attachment B

07-060927

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|--|
| <ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature X <i>B. Allen</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> |
| <p>1. Article Addressed to:</p> <p>M. GAVIN MCCARTY SENIOR VICE PRESIDENT GLOBALCOM, INC., D/B/A GCI 333 WEST WACKER DR. FL 15 CHICAGO IL 60606</p> | <p>B. Received by (Printed Name) <i>Karin Allen</i> C. Date of Delivery <i>7/10/06</i></p> |
| <p>2. A</p>  | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| <p>PS F</p> | <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> <p style="text-align: right;"><i>RMS</i> <i>HA</i></p> |
| | <p>56</p> <p>102585-02-M-1540</p> |