

**Phone Solution, Inc**  
10175 SW Barbur Blvd., Suite 200  
Portland, OR 97219  
503-246-1253

January 26, 2004

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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

UT-040128  
① N/A

Carole Washburn  
Washington Transportation & Utility Commission  
P. O. Box 47250  
Olympia, WA 98504-7250

Dear Ms. Washburn.

Enclosed is a Petition for Waiver from Enforcement of Rules and Exemption from WAC 480-122-020, requirement to offer WTAP services.

I have enclosed three original copies because I was not sure of the requirement. Please contact me if any additional copies or other supporting documents are required.

Thank you for your assistance.

Sincerely,



Sharon Schroll, President

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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

**Phone Solution, Inc**  
10175 SW Barbur Blvd., Suite 200  
Portland, OR 97219  
Phone: (503) 246-4555  
FAX: (503)452-4612

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

IN THE MATTER OF THE PETITION OF  
PHONE SOLUTION, INC.

Docket No. UT - 040128

PHONE SOLUTION, INC'S PETITION FOR  
WAIVER FROM ENFORCEMENT OF RULES  
AND EXEMPTION FROM WAC 480-122-020

Phone Solution, Inc (an Oregon corporation ("PSI")), hereby petitions the  
Washington Utilities and Transportation Commission ("Commission") for an exemption  
from WAC 480-122-020.

PSI requests this exemption because under the current rate structure, PSI is forced to provide services to WTAP clients at a reimbursement rate that is far below its cost of providing the service. As an after-market reseller of telephone services, PSI serves primarily "credit-challenged" individuals and assumes a greater risk of loss than traditional telephone companies. Since they must acquire their lines from Qwest and Verizon at retail, plus paying their own operational costs, they must charge a significantly higher rate than LECs in order to remain profitable. Since other after-market vendors have left the Washington marketplace, PSI has signed up 218 WTAP customers, comprising approximately 50% of its total business in Washington State.

As the Commission requires, PSI has and will continue to inform all applicants for service that WTAP services are available from other LECs and CLECS for the currently ordered assistance rate for households that are eligible for the service.

Further, PSI, in terminating its WTAP customers, will facilitate a transition to the company of the customer's choice by providing information, etc., and will give at least the 30-day notice period as required by WAC 480-120-083.

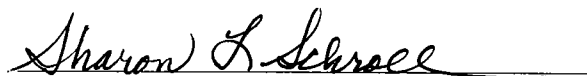
### CONCLUSION

PSI's ability to provide WTAP services is entirely dependent upon the reimbursement from the State of Washington. This reimbursement is now minimal as it is based on the rates of LECs which are significantly below those Phone Solution must charge. As a very small company serving a specific niche market, Phone Solution cannot sustain a position where half of its clients pay less than the costs associated with providing services

Because PSI cannot continue to provide services at a loss, it respectfully requests an exemption from WAC 488-122-020.

RESPECTFULLY SUBMITTED this 26<sup>th</sup> day of January, 2004.

Phone Solution, Inc (an Oregon Corporation)

  
Sharon L. Schroll, President