BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,) DOCKET UT-111529
Complainant,)) DECLARATION OF) RAYNE PEARSON
v.)
AFFORDABLE VOICE COMMUNICATIONS, INC., AMERICAN CYBER CORPORATION d/b/a DISCOUNT PLUS, AMERICAN DIAL TONE, INC., AMERICAN FIBER NETWORK, INC., ATLAS NETWORKS, LLC, BLC MANAGEMENT LLC d/b/a ANGLES COMMUNICATIONS SOLUTIONS, CENTEL COMMUNICATIONS, INC., COLEMAN ENTERPRISES, INC. d/b/a LOCAL LONG DISTANCE, DEVINE COMMUNICATIONS, INCORPORATED, ENTELEGENT SOLUTIONS, INC., GROUP SIX COMMUNICATIONS, LIFECONNEX TELECOM, LLC, PACIFIC TELECOM COMMUNICATIONS GROUP d/b/a PACIFIC TELECOMMUNICATIONS GROUP, INC., QX TELECOM LLC, ROYAL COMMUNICATIONS, LLC, SELECTEL, INC., TELEDATA SOLUTIONS, INC. d/b/a TSI, TRIARCH MARKETING, INC., TTC	
TELECOMMUNICATIONS, LLC,)
Respondents.	

Rayne Pearson, under penalty of perjury under the laws of the State of Washington, declares as follows:

1. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Compliance Investigator in the Consumer Protection and Communications Section. As a Compliance Investigator, 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 or rule.

- 2. On March 11, 2011, the commission mailed 2010 Annual Report forms and 2011 Regulatory Fee packets to registered telecommunications companies. A letter from Executive Director and Secretary David W. Danner instructed companies to file annual reports and pay regulatory fees by May 1, 2011. Further, the letter stated failure to file the annual report by May 1 could result in a penalty and cancellation of the company's registration. Those companies wishing to request an extension to file the annual report were instructed to do so before May 1, and to provide a reason for the extension. A copy of the letter is attached as Attachment A.
- 3. On April 20, 2011, the commission mailed a notice to all telecommunications companies reminding them that 2010 annual reports and 2011 regulatory fees were due by May 1, 2011. A copy of the letter is attached as Attachment B.
- 4. On May 13, 2011, the commission sent letters to those companies that had not yet filed their reports. The letter, signed by David Danner, gave an extension to companies to file their reports by May 27, 2011. In the letter, Mr. Danner stated the commission would not seek a fine from any company whose report was postmarked by May 27. A copy of the letter is attached as Attachment C.
- 5. I located additional addresses for two of the companies, Centel Communications, Inc., and Teledata Solutions, Inc. d/b/a TSI, in the 2009 annual reports on file with the commission. Copies of the first page of each of those reports are attached as Attachment D.
- 6. In preparation for the annual revocation proceeding, On September 16, 2011, Financial Services staff provided me a list of all delinquent companies. The list is gathered from the Commission's Annual Report Tracking System (ARTS). As of that date, the Commissions had received neither the 2010 annual reports nor the 2011 regulatory fees from the 19 companies in the attached draft complaint.

DATED this 16th day of September, 2011, at Olympia, Washington.

Attachment A

March 11, 2011

Dear Regulated Company:

Reference: Your 2010 Annual Report and 2011 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 (UTC).

What is required of me?

By May 1, you must:

- Complete and file <u>one</u> paper copy or electronic version of the enclosed 2010 annual report form
- Pay your 2011 regulatory fees

What happens if I do not file a completed annual report on time?

If you do not file your company's annual report by May 1, UTC staff will recommend a financial penalty of between \$100 and \$800. If you have repeatedly filed late, the penalty will be higher. Staff may also recommend revocation of your authority to operate in Washington. Staff will also recommend a \$100 penalty if your annual report is incomplete, *i.e.*, not signed or lacking requested information, even if you file it on time.

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

If you do not pay your company's regulatory fee 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.

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

Yes, however, you must make the request in writing before May 1, and include a valid reason for why you need an extension. We will notify you whether your request is approved or denied. You will still be liable for penalty and interest payments if you fail to pay your fee by May 1.

May I designate any information in my annual report as confidential?

Yes, however, you must meet two conditions. You may only request confidential treatment if your company is regulated under Title 80 RCW, that is, if you operate an electric, natural gas, telecommunications or water company. Transportation companies, regulated under Title 81 RCW, may not request confidential treatment of documents because the authority for such treatment is found only in RCW 80.04.095. If a Title 81 company files their annual report or fee sheet as confidential, we will not treat it as confidential.

Second, you must follow the steps for filing confidential documents in WAC 480-07-160. You may find this rule at the UTC website, www.utc.wa.gov/annual reports.

Please note: The regulatory fee sheet portion of your report is not a confidential document and will not be accorded confidential treatment under the rule. We will not, however, disclose credit card information you list on the fee sheet.

May I perform some of these tasks online?

Yes. You may complete the following tasks from the annual reports page at the UTC website www.utc.wa.gov/annualreports:

- Obtain electronic versions of annual report forms.
- Pay regulatory fees
- File your report electronically
- Cancel your registration (telecommunications companies) or permit (transportation companies) if your company ceased operations in 2010.

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

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

Is there any additional information I should file?

- If you are a gas distribution company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 2.
- If you are an electric company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 1.
- If you are a class 1 Railroad, please also file a copy of your Surface Transportation Board Form R-1 including statistics specific to the state of Washington.

What should I do if my company is no longer operating in Washington?

You may cancel your registration or permit by using the cancellation forms available on our website (see below). Please note that if your company operated in Washington during the 2010 calendar year you must pay regulatory fees and file a closing annual report based on the months of operation during 2010.

Who do I contact if I have questions?

If you have questions about any aspect of your report or regulatory fee, please contact Rae Lynn Carnes at (360) 664-1152 or rearres@utc.wa.gov.

If you need this letter or an annual report form in an alternate format, please call 360-664-1243. The TTY Toll-Free phone number is 1-800-416-5289.

Sincerely,

David W. Danner Secretary Enclosures

Attachment B

Reminder!

Annual Reports and Regulatory Fees are due May 1, 2011

On March 17, we sent you a 2010 annual report form and 2011 regulatory fee form. This is just a friendly reminder that your company's completed annual report and payment of your regulatory fees are due, postmarked, no later than May 1.

If you already mailed your annual report and regulatory fees, **thank you!** Please disregard this notice. If you have not yet filed, please be sure not to miss this deadline

You may mail your completed annual report form and regulatory fee payment to:

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

You may also file your report electronically and obtain electronic versions of annual report forms at http://www.utc.wa.gov/annualreports.

If you fail to pay your regulatory fee or file your company's completed annual report, postmarked by May 1, UTC staff will recommend the commission issue a financial penalty. Staff may also recommend that the commission cancel your authority to operate in Washington.

Please don't let either happen. If you have questions about your report or fee or need assistance, please contact me at 360-664-1152 or e-mail me at rcarnes@utc.wa.gov.

Sincerely,

Rae Lynn Carnes, Financial Services

Attachment C



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

May 13, 2010

Attention:

Your annual report to the Utilities and Transportation Commission (commission) was due by May 1 as required by law. You are now subject to enforcement action by the commission, including financial penalties. This letter tells you what you can do to avoid this. If you have already submitted your annual report, please disregard this notice.

Commission staff mailed you a 2010 annual report form and fee calculation sheet on March 11, 2011. On April 20, 2011, staff mailed a reminder to file your report and pay your fees. Commission records indicate that you have not yet filed the completed report form.

Commission staff will file for enforcement action against your company unless your completed report is received postmarked no later than May 27. Enforcement action in this matter may include penalties of up to \$100 for each day it is late and revocation of your authority to provide telecommunications services in Washington. If your annual report was late last year and you received a penalty, the penalty this year will be incrementally higher.

If the commission receives your report postmarked no later than May 27, commission staff will not seek a fine or move to revoke your registration.

Annual report forms are available on the commission's website at www.utc.wa.gov. If you have questions or require additional information, please contact Richard La Monica, Compliance Investigator, at (360) 664-1149 or riamonica@utc.wa.gov.

Sincerely.

David W. Danner

Executive Director and Secretary

ATTACHMENT D

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Name (Printed) Michael Ross	Title VP Finance					
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