

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UT-151543
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	ORDER 01
	)	
v.	)	
	)	
321 COMMUNICATIONS, INC.;	)	INITIAL ORDER DISMISSING
EMAN NETWORKS; ERNEST	)	COMPLAINT AGAINST
COMMUNICATIONS, INC.; GREENFLY	)	CERTAIN COMPANIES AND
NETWORKS, INC.; IBASIS RETAIL, INC.;	)	REVOKING REGISTRATIONS
INETWORKS GROUP, INC.; LDC	)	OF REMAINING COMPANIES
GROUP, LLC; LEGACY LONG	)	FOR FAILURE TO FILE
DISTANCE INTERNATIONAL, INC.;	)	ANNUAL REPORTS AND PAY
MASTER CALL CORPORATION;	)	REGULATORY FEES
PUBLIC WIRELESS, INC.; TELE	)	
CIRCUIT NETWORK CORPORATION;	)	
TELECOMMUNICATIONS	)	
COMMUNICATIONS SERVICES, INC.;	)	
TELEXFREE, LLC; TTUSA	)	
ACQUISITION, INC.; UMPQUA INDIAN	)	
DEVELOPMENT CORP.	)	
	)	
Respondents.	)	
	)	
.....	)	

**BACKGROUND**

1 On October 5, 2015, the Washington Utilities and Transportation Commission (Commission) issued a complaint against 321 Communications, Inc. (321 Communications), Eman Networks, Ernest Communications, Inc. (Ernest Communications), Greenfly Networks, Inc. (Greenfly), iBasis Retail, Inc. (iBasis Retail), iNetworks Group, Inc. (iNetworks Group), LDC Group, LLC (LDC Group), Legacy Long Distance International, Inc. (Legacy), Master Call Corporation (Master Call), Public Wireless, Inc. (Public Wireless), Tele Circuit Network Corporation (Tele Circuit), Telecommunications Communications Services, Inc. (Telecommunications Communications), TELEXFREE, LLC (TELEXFREE), TTUSA Acquisition, Inc.

(TTUSA), and Umpqua Indian Development Corp. (Umpqua). The complaint alleges that each company failed to file required annual reports for 2014 and also failed to pay required regulatory fees. The Commission set this matter for hearing and notified all respondents that any party that failed to attend or participate in the hearing may be held in default.

- 2 The Commission conducted a hearing on the complaint on November 9, 2015, in Olympia, Washington before Administrative Law Judge Rayne Pearson. Andrew J. O’Connell, Assistant Attorney General, Olympia, Washington represents Commission staff (Staff).<sup>1</sup> During the hearing, Staff presented the testimony of Amy Andrews, Regulatory Analyst. Master Call was the only company named in the complaint that appeared at the hearing.

### DISCUSSION AND DECISION

- 3 **Applicable Law.** Every public service company the Commission regulates is required to file an annual report that documents the company’s operations during the preceding year.<sup>2</sup> In addition, every public service company subject to regulation by the Commission must pay a regulatory fee each year on or before the date specified by the Commission.<sup>3</sup> Commission rules require all regulated telecommunications companies to file annual reports and pay regulatory fees by May 1.<sup>4</sup> The Commission may revoke the registration of a telecommunications company for failure to file an annual report or pay regulatory fees.<sup>5</sup> Any party that fails to attend or participate in a hearing scheduled by the Commission may be held in default.<sup>6</sup>
- 4 **Motion to Dismiss.** At the hearing, Staff moved to dismiss the complaint against 321 Communications because the company filed its annual report with no regulatory fee due

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

<sup>2</sup> *See* RCW 80.04.080.

<sup>3</sup> *See* RCW 80.24.010.

<sup>4</sup> *See* WAC 480-120-382 (competitively classified companies); WAC 480-120-385 (companies not classified as competitive).

<sup>5</sup> *See* WAC 480-121-060.

<sup>6</sup> *See* RCW 34.05.440; WAC 480-07-450.

on October 29, 2015.<sup>7</sup> Staff also moved to dismiss the complaint against Greenfly because the company filed its annual report and paid its regulatory and late payment fees on November 1, 2015.<sup>8</sup> Staff likewise moved to dismiss the complaint against iBasis Retail because the company filed its annual report with no regulatory fee due on October 27, 2015.<sup>9</sup> Finally, Staff moved to dismiss the complaint against iNetworks Group because the company filed its annual report with no regulatory fee due on October 12, 2015.<sup>10</sup> The Commission granted these motions to dismiss.

- 5 **Dismissal of Complaint against TELEXFREE.** Staff testified at hearing that TELEXFREE has filed a petition for Chapter 11 bankruptcy but requested the Commission find TELEXFREE in default and revoke its registration for failing to file its annual report. Revoking TELEXFREE's registration during the pendency of a bankruptcy proceeding, however, would violate 11 USC § 362, which provides that a petition for bankruptcy operates as a stay of all other proceedings. Accordingly, we dismiss the complaint against TELEXFREE.
- 6 **Default.** Staff moved that Eman Networks, Ernest Communications, Greenfly, LDC Group, Legacy, Public Wireless, Tele Circuit, Telecommunications Communications, TTUSA, and Umpqua be held in default for failing to appear at the hearing.
- 7 The record reflects that each company was sent notice of the hearing by both certified and first class mail at its address of record. Each company failed to appear or otherwise respond to the complaint. Therefore, the motion for default against each of the remaining 10 companies was granted. Even so, Staff requested that the Commission hear and dispose of the substantive issues brought in the complaint against Eman Networks, Ernest Communications, LDC Group, Legacy, Public Wireless, Tele Circuit, Telecommunications Communications, TTUSA, and Umpqua. Staff also presented its case against Master Call, which appeared briefly on the Commission's conference bridge.
- 8 **Complaint.** Amy Andrews testified that she reviews the Commission's Annual Report Tracking System (ARTS) to obtain a list of all companies that are delinquent in filing their annual reports or paying their regulatory fees. Ms. Andrews reviewed ARTS data for each company named in the complaint as late as the morning of the hearing, November 9, 2015.

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<sup>7</sup> See Exh. AA-2.

<sup>8</sup> See Exh. AA-3.

<sup>9</sup> See Exh. AA-4.

<sup>10</sup> See Exh. AA-5.

- 9 Eman Networks is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Eman Networks is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Eman Networks failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Eman Networks failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Eman Networks' telecommunications company registration.
- 10 Ernest Communications is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Ernest Communications is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Ernest Communications failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Ernest Communications failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Ernest Communications' telecommunications company registration.
- 11 LDC Group is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, LDC Group is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that LDC Group failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, LDC Group failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke LDC Group's telecommunications company registration.
- 12 Legacy is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Legacy is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Legacy failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Legacy failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Legacy's telecommunications company registration.
- 13 Master Call is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Master Call is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Master Call failed to file its annual report for 2014 and failed to pay regulatory fees. Master Call appeared briefly on the Commission's conference bridge near the conclusion of the hearing and requested its

telecommunications registration be revoked because it no longer operates in Washington. Accordingly, the Commission should revoke Master Call's telecommunications company registration.

- 14 Public Wireless is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Public Wireless is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Public Wireless failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Public Wireless failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Public Wireless' telecommunications company registration.
- 15 Tele Circuit is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Tele Circuit is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Tele Circuit failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Tele Circuit failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Tele Circuit's telecommunications company registration.
- 16 Telecommunications Communications is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Telecommunications Communications is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Telecommunications Communications failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Telecommunications Communications failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Telecommunications Communications' telecommunications company registration.
- 17 TTUSA is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, TTUSA is required to submit an annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that TTUSA failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, TTUSA failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke TTUSA's telecommunications company registration.
- 18 Umpqua is registered under RCW 80.36 and WAC 480-121 to provide telecommunications services in Washington. As such, Umpqua is required to submit an

annual report to the Commission and pay regulatory fees. A review of the Commission's files and records shows that Umpqua failed to file its annual report for 2014 and failed to pay regulatory fees. Moreover, Umpqua failed to appear at the time and place scheduled for hearing in this matter and is in default. Accordingly, the Commission should revoke Umpqua's telecommunications company registration.

### FINDINGS AND CONCLUSIONS

- 19 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including telecommunications companies.
- 20 (2) 321 Communications, Eman Networks, Ernest Communications, Greenfly, iBasis Retail, iNetworks Group, LDC Group, Legacy, Master Call, Public Wireless, Tele Circuit Network, Telecommunications Communications, TELEXFREE, TTUSA, and Umpqua are each a "public service company" and "telecommunications company" as those terms are defined and used in RCW Title 80.
- 21 (3) On October 5, 2015, the Commission issued a complaint and notice of hearing against each of the above-named telecommunications companies seeking revocation of each company's registration for failure to submit an annual report and pay regulatory fees. The notice of hearing scheduled a hearing to convene on November 9, 2015, in Olympia, Washington. Each of the above-named telecommunications companies was properly served and notified of the hearing.
- 22 (4) After the Commission served the complaint, 321 Communications, Greenfly, iBasis Retail, and iNetworks Group each filed its annual report, and Greenfly paid its regulatory and late payment fees. Accordingly, the Commission should dismiss the complaint against 321 Communications, Greenfly, iBasis Retail, and iNetworks Group.
- 23 (5) Also after the Commission served the complaint, Staff discovered that TELEXFREE filed a petition for Chapter 11 bankruptcy, which operates as a stay of all other proceedings. Accordingly, the Commission should dismiss the complaint against TELEXFREE.
- 24 (6) The failure of Eman Networks, Ernest Communications, LDC Group, Legacy, Master Call, Public Wireless, Tele Circuit Network, Telecommunications Communications, TTUSA, and Umpqua to file their annual report for 2014 and

pay regulatory fees constitutes good cause to revoke their registration to operate in Washington.

25 (7) Eman Networks, Ernest Communications, LDC Group, Legacy, Public Wireless, Tele Circuit Network, Telecommunications Communications, TTUSA, and Umpqua are in default for failing to appear at the hearing in this matter.

26 (8) Master Call appeared at the hearing and requested that the Commission revoke its registration because the company no longer operates in Washington. Master Call's failure to file its annual report for 2014 or pay regulatory fees, coupled with the Company's request for cancellation of its registration, constitutes good cause for the Commission to revoke the company's registration.

**ORDER**

**THE COMMISSION ORDERS THAT:**

- 27 (1) The Complaint against 321 Communications, Inc., Greenfly Networks, Inc., iBasis Retail, Inc., iNetworks Group, Inc., and TELEXFREE, LLC is dismissed.
- 28 (2) Eman Networks, Ernest Communications, Inc., LDC Group, LLC, Legacy Long Distance International, Inc., Public Wireless, Inc., Tele Circuit Network Corporation, Telecommunications Communications Services, Inc., TTUSA Acquisition, Inc., and Umpqua Indian Development Corp. are in default.
- 29 (3) The Commission revokes the telecommunications company registrations held by Eman Networks, Ernest Communications, Inc., LDC Group, LLC, Legacy Long Distance International, Inc., Master Call Corporation, Public Wireless, Inc., Tele Circuit Network Corporation, Telecommunications Communications Services, Inc., TTUSA Acquisition, Inc., and Umpqua Indian Development Corp. for failure to file an annual report for 2014 and pay regulatory fees.

DATED at Olympia, Washington, and effective November 10, 2015.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**RAYNE PEARSON**  
Administrative Law Judge

### NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a Petition for Administrative Review. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an Answer to a Petition for Review within ten (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An original and **seven (7)** copies of any Petition or Answer must be filed by mail delivery to:

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Washington Utilities and Transportation Commission  
P.O. Box 47250  
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