# BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	) DOCKET NO. UT-021564
	)
Matrix Telecom, Inc., and	)
International Exchange	)
Communications, Inc.,	)
	)
Petitioners,	)
	)
For Exemption from WAC 480-120-139.	) ORDER GRANTING EXEMPTION

## **BACKGROUND**

- On November 25, 2002, Matrix Telecom, Inc., (Matrix) and International Exchange Communications, Inc., (IECom) jointly filed with the Commission a petition requesting approval of Matrix acquiring certain assets of IECom and exemption from WAC 480-120-139.
- The reason for this request is prompted by Matrix's purchase of certain assets and of the customer base of IECom, whose accounts are comprised of both intraLATA and interLATA toll services. Under WAC 480-120-139, "Changes in local exchange and intrastate toll services," Matrix would not be able to submit a change in a customer's intrastate toll service without confirming the customer's authorization in accordance with requirements.
- 3 Chapter 480-143 WAC, Transfers of Property and Chapter 80.12 RCW, Transfers of Property requires Commission approval before a public service company can complete a transfer of property.

On May 9, 1991, Matrix was granted competitive classification in Docket UT-910020. On March 29, 2000, IECom was granted competitive classification in Docket UT-000142. Under these classifications, Matrix and IECom received waivers of Chapter 480-143 WAC, Transfer of Property and Chapter 80.12 RCW, Transfers of Property.

This request for waiver of WAC 480-12-139 is limited specifically to the transfer of IECom's customer base. Customer notices have been reviewed by Commission Staff and will be mailed to all affected customers informing them of their options. Matrix will credit any charge imposed by local exchange carriers for changing customers' primary interexchange carriers to Matrix. Matrix's products and services are similar to those offered by IECom. Matrix will provide notice to the customers of changes in rates and services.

#### FINDINGS AND CONCLUSIONS

- The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunication companies. *RCW* 80.01.040; Chapter 80.04 RCW, and Chapter 80.36 RCW.
- 7 (2) Matrix and IECom are engaged in the business of providing telecommunications services within the state of Washington and are public service companies subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 8 (3) Matrix is subject to the provisions of WAC 480-120-139, requiring telecommunications companies to obtain customer authorization prior to switching a customer's service.

9 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation and applicable statutes.

- 10 (5) Staff reviewed the request in Docket UT-021564 and recommended the exemption requested by Matrix be granted, subject to the following conditions:
  - *a.* Mailing of notices to customers advising them of transfer of their service to Matrix,
  - b. Crediting any charge imposed by local exchange carriers for changing customers' primary interexchange carriers to IECom,
  - c. Provision of products and services similar to those offered by IECom, and
  - *d.* Provision of notice to the customers of changes in rates and services.
- 11 (6) This matter was brought before the Commission at its regularly scheduled meeting on December 11, 2002.
- 12 (7) After review of the petition filed in Docket UT-021564 by Matrix on November 25, 2002, and giving due consideration, the Commission finds that the exemption is consistent with the public interest and should be granted.

13 (8) The request for approval to purchase IECom's customer base by Matrix is unnecessary, given the prior waivers granted in Dockets UT-910020 and UT-000142.

### ORDER

# THE COMMISSION ORDERS:

- 14 (1) After the effective date of this Order, Matrix Telecom, Inc., is granted an exemption from WAC 480-120-139, Changes in local exchange and intrastate toll services, for the initial transfer of IntraLATA and InterLATA toll customers from International Exchange Communications, Inc.
- 15 (2) This exemption is subject to Matrix Telecom, Inc.,:
  - Mailing notices to customers advising them of transfer their service to Matrix Telecom, Inc.,
  - b. Crediting any charge imposed by local exchange carriers for changing customers' primary interexchange carriers to International Exchange Communications, Inc.,
  - c. Providing similar products and services to those offered by International Exchange Communication, Inc., and
  - d. Providing notice to the customers of changes in rates and services.
- The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 11th day of December, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary