

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of The
Washington Exchange Carrier
Association for Order Requiring WebTel
Wireless, Inc. to register as a
Telecommunications Company or Cease
and Desist Doing Business as a
Telecommunications Company

DOCKET NO. UT-041239

DECLARATION OF ROBERT B.
SHIRLEY

I, Robert B. Shirley, declare under penalty of perjury under the laws of the State of Washington that I am over the age of 18, am competent to testify to the matters set forth below, and I have personal knowledge of those matters.

1. I have been asked to prepare this declaration regarding WebTel's prepayment requirements and how that relates to the need for the Commission to address refunds to customers if WebTel should cease doing business.

2. I have also been asked to explain how access charges support universal access to basic telecommunications services provided to consumers by WECA member telephone companies.

3. I have been employed by the Washington Utilities and Transportation Commission (WUTC) for more than seven years. In that time I have been responsible for drafting rules concerning cessation of telecommunications service by telecommunications companies and concerning discontinuation of service to individual customers.

4. I have also participated in rulemakings concerning consumer protection activities of the Commission.

5. I have also participated in rulemakings and proceedings regarding access charges.

Cessation of Service, Prepayment, and Refunds

6. Commission rule WAC 480-120-083 requires telecommunications companies to take several actions in anticipation of cessation of service. The main purpose of the rule is to provide customers with notice of cessation of service thirty days in advance of the cessation so that customers may make other arrangements to obtain telecommunications service of a similar nature.

7. Notice thirty days in advance of cessation is intended to provide customers with sufficient time to make an unhurried search for an alternate provider of the telecommunications services that will cease.

8. WAC 480-120-083 also requires telecommunications companies to inform customers how to obtain a refund; the company must continue to provide

information on how to obtain a refund for sixty days after cessation of service. See subsection (4)(c).

9. Although they do not appear to be implicated by this case, there are several other purposes for the rule as well, including the assurance that other telecommunications carriers that provide or depend on service will be in a position to make any necessary changes in their service. This purpose is achieved by requiring notice from the exiting company to telecommunications companies that may be providing service to, or depending on service from, the exiting company.

10. I have examined the website of WebTel Wireless, Inc. That website home is: <http://www.webtel.net/index.html>. See Exhibits 1 and 2.

11. The page concerning rates shows prices for pre-paid service. One plan permits residential customers to pre-pay for 12 months at the rate of \$323.00 annually; business customers can pre-pay at the rate of \$539.00 annually. The address is: <http://www.webtel.net/rates.htm> See Exhibit 3.

12. WebTel's least expensive offerings require prepayment of \$14.95 per month for residential intrastate long distance and \$29.95 per month for business intrastate long distance.

13. WebTel requires advance payment by credit card. See https://protected.xeran.com/webtelne/On-line_Sign_up/body_on-line_sign_up_s.html. See Exhibit 4.

14. If WebTel ceases service without notice, all its customers will lose some portion of the service for which prepayment was made (between one day and 364 days of pre-paid service will be lost) unless refunds are provided. For the group that has chosen to prepay for one month, those customers will lose, on average, one-half of the value of their prepayment, or \$7.47 for residential customers and \$14.97 for business customers.

15. The amounts would be much higher for those who have prepaid for six months and one year in advance. The unused amount could be as high as \$300 to \$500 for a resident or business that has prepaid recently for a year of service.

Access Charges

16. WECA member telephone companies finance basic telecommunications service through, among other rates, access charges levied on intrastate calls. Most of this service is provided in rural Washington.

17. Each member company of the Washington Exchange Carrier Association (WECA) is permitted to charge fees to long-distance carriers for the origination and termination of intrastate long distance calls.

18. Each company may charge an origination and termination fee in an amount sufficient to offset the cost of origination and termination. See WAC 480-120-540(1).

19. Each company is also permitted to collect an explicit universal service rate for terminating access if the company has been authorized to do so in order to support universal access to basic telecommunications service. Most WECA members have such authority and some of the additional permitted terminating access charges are as high as \$0.05 (five cents) per minute. See WAC 480-120-540(3).

20. In addition, the Commission has permitted t member companies, through WECA, to collect access fees from companies that originate and terminate intrastate log distance calls that do not originate or terminate with members of WECA. See WUTC Docket U-85-23. Thus, WECA collects originating and terminating access on intrastate long distance calls that originate, for example, in Qwest exchanges and terminate in Verizon exchanges. The fees collected are pooled and distributed to WECA members.

21. The total access revenue collected as cost-based charges, explicit universal service, and as part of the WECA pool, is intended to fund, when combined with monthly local service charges and other tariffed charges, the cost of operating member companies.

22. If WebTel is a telecommunications company that provides intrastate long distance, and if WebTel does not pay access fees for origination or termination of long distance calls, its failure to pay reduces the revenue available to WECA

companies to fund their entire telecommunications services, including universal access to basic local service.

I declare under penalty of perjury under the laws of Washington that the foregoing is true and correct.

DATED this ____ day of August, 2004, at Olympia, Washington.

ROBERT B. SHIRLEY