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**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

IN THE MATTER OF THE PETITION OF
THE WASHINGTON EXCHANGE
CARRIER ASSOCIATION FOR ORDER
FOR WEBTEL WIRELESS, INC. TO
REGISTER AS A
TELECOMMUNICATIONS COMPANY
OR CEASE AND DESIST DOING
BUSINESS AS A
TELECOMMUNICATIONS COMPANY

DOCKET NO. _____

PETITION FOR ORDER REQUIRING WEBTEL
WIRELESS, INC. TO REGISTER AS A
TELECOMMUNICATIONS COMPANY OR, IN
THE ALTERNATIVE, FOR AN ORDER
REQUIRING THEM TO CEASE AND DESIST
DOING BUSINESS FOR FAILURE TO
COMPLY WITH WASHINGTON LAWS

(EXPEDITED TREATMENT REQUESTED)

1. This Petition is filed on behalf of the Washington Exchange Carrier Association (WECA) and its member companies. Recently, WECA members have discovered the operation of WebTel Wireless, Inc. d/b/a WebTel (“WebTel”).
2. An employee of YCOM Networks, Inc. subscribed to WebTel service to verify what appeared from WebTel’s advertising; that is, that WebTel is using a two call system very similar to that used by LocalDial Corporation to provide long distance service within the State of Washington. See, the attached Declaration of Mr. Cowles, Exhibit 1. Mr. Cowles made several calls once he was accepted as a customer of WebTel. All calls were transported on the originating end over an EAS network instead of over the toll network.

PETITION FOR ORDER REQUIRING WEBTEL
WIRELESS, INC. TO SHOW CAUSE - 1

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1 The calls all terminated successfully. Each of the calls was a long distance call, not a local
2 call.

3 3. Attached as Exhibit 2 is a copy of the WebTel home page, available at www.webtel.net.
4 That web page states that unlimited in-state calling is available for \$14.95 per month for
5 residential service and \$29.95 per month for business service. Calls outside the state are at
6 4.9 cents per minute. As stated on the web site, all that is needed to use WebTel service is
7 access to WebTel's "Local Access phone number" and "upon hearing the new dial tone,
8 enter the destination number." The home page further states that "all you need is a
9 telephone and telephone service from your local company" to use their service. Customers
10 are told, "You do not need an Internet account or a computer."

11 4. Attached as Exhibit 3 are excerpts from WebTel's web page that provide its in-state calling
12 coverage. The first portion of Exhibit 3 shows the cities that can be called. The second
13 portion of Exhibit 3 lists the prefixes that can be called.

14 5. Attached as Exhibit 4 is a further excerpt from WebTel's home page that describes the
15 various calling plans that are available to customers.

16 6. Attached as Exhibit 5 are excerpts from the Frequently Asked Questions portion of
17 WebTel's web site. This includes confirmation that all that is required to use WebTel's
18 service is a telephone. As set forth on that Exhibit, WebTel describes use of its service as
19 follows: "First, you dial a WebTelTM local-access number to enter our system. Once the
20 number is verified, a voice prompt will instruct you to enter the area code and phone number
21 of the person you want to call--no need to dial a "1" first. The WebTel Voice over Internet
22 Protocol (VoIP) gateway server seamlessly sends this call information over to network to the
23 gateway server that's closest to your call's destination. The VoIP gateway server at the
24 destination site dials the phone number you've entered. After the connection is established

1 both you and the person you're calling will be talking over the WebTel™ network. To use
2 WebTel™ services, you must establish a VoIP account with us, and the number you're
3 calling must be within the WebTel network-coverage area.”

4 7. On the testimonials page, attached as Exhibit 6, there are testimonials from customers in
5 Orting, Washington and Eatonville, Washington.

6 8. WebTel is not currently registered with the Washington Utilities and Transportation
7 Commission as a telecommunications carrier. Nor is WebTel registered to do business in
8 the State of Washington with the Secretary of State. Based on WebTel's web site, it appears
9 that their corporate offices are in Torrence, California. However, checking with the
10 California Secretary of State web site, it appears that WebTel's status as a foreign
11 corporation in California has been “forfeited.” WebTel is a corporation in good standing in
12 Colorado.

13 9. Based on not only WebTel's own promotional material, but also the test conducted by the
14 employee of YCOM Networks, Inc., it is clear that WebTel offers nothing more than a two
15 call, “IP-in-the-middle” service very similar to the service offered by LocalDial Corporation.

16 10. WebTel is engaged in access bypass. The actions of LocalDial Corporation engaged in the
17 same sort of activity caused considerable loss of access revenues to WECA members.
18 WebTel should not be allowed to engage in the same behavior.

19 11. WECA respectfully requests that the Commission issue an order setting a hearing date to
20 determine if WebTel must register as a telecommunications company.

21 12. Further, WECA respectfully requests that based upon the prima facie showing based upon
22 WebTel's own web site and the actual tests conducted of WebTel's service, that WECA
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24

1 members be authorized to block access to WebTel's "local access" numbers during the
2 interim.

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4 RESPECTFULLY SUBMITTED, this 12th day of July, 2004.

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RICHARD A. FINNIGAN, WSBA #6443
8 Attorney for the Washington Exchange Carrier
9 Association
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