

SERVICE DATE

FEB 18 1994

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
)
)
 VALUE ADDED COMMUNICATIONS) DOCKET UT-931579
)
 for Classification as a)
 Competitive Telecommunications)
 Company)
)

NOTICE OF FORMAL INVESTIGATION AND FACT-FINDING

By petition filed December 27, 1993, in Docket UT-931579, Value Added Communications seeks classification as a competitive telecommunications company pursuant to RCW 80.36.320 and WAC 480-120-023.

In support of its petition, Hospitality Communications Corporation, alleges inter alia that its services are designed to compete with those of other alternative operator services (AOS) providers. Petitioner states that customers have readily available, functionally equivalent alternatives, and that it does not have any captive customers.

Value Added Communications stipulates in the petition to various pricing limitations related to its provision of AOS services. The conditions stipulated in the petition are the following:

- no location surcharge for operator services;
- rates charged shall not exceed the "prevailing operator service charges" in the relevant market as that term is defined in WAC 480-120-141 (10) (b);
- rates may not vary at the option of the customer; and,
- consequences for failing to abide by the agreed conditions.

In conjunction with classification as a competitive telecommunications company, the company is seeking waiver of the requirements of various provisions of chapter 80.36 RCW (telecommunications) and chapter 480-120 WAC. In addition to these waiver requests, the Commission recommends waiver of chapter 80.08 RCW (securities), chapter 80.12 RCW (transfers of property), chapter 80.16 RCW (affiliated interests), RCW 80.04.300 and RCW 80.04.320 (budgets), and chapters 480-80, 480-140, 480-143, and 480-146 WAC.

The above petition is on file with the Commission and is available for inspection by those seeking greater detail as to the grounds for the relief sought.

On its own motion, the Commission determines that on the face of the petition no substantial issues of controversy are presented. The Commission will invoke the provisions of WAC 480-09-520, Formal investigation and fact-finding.

Rules involved include those within chapter 480-09 WAC, specifically WAC 480-09-520, and WAC 480-120-022, WAC 480-120-023, WAC 480-120-024, and WAC 480-120-025. Statutes invoked include RCW 80.36.145, 80.36.310, and 80.36.320. The ultimate issues are whether the petitioner should be classified as a competitive telecommunications company and the extent to which petitioner should be relieved of regulatory requirements to which it otherwise would be subject.

IT IS ORDERED AND NOTICE IS HEREBY GIVEN That the Commission is instituting a Formal Investigation and Fact-Finding, pursuant to WAC 480-09-520, to further consider whether the services of Value Added Communications are subject to effective competition in the state of Washington, and to determine whether petitioner should be classified as a competitive telecommunications company.

All interested persons are advised that, pursuant to WAC 480-09-520, no hearing is contemplated other than possible hearings for public testimony. No additional rounds of written submissions are necessary to develop the facts relevant to the proceeding, unless intervention is granted. Any person seeking to intervene shall file a written petition to intervene not later than March 15, 1994. If any person filing a petition to intervene objects to this proceeding being conducted pursuant to WAC 480-09-520, that objection must be filed simultaneously with the request for intervention. If necessary, a hearing for the purpose of taking oral motions to intervene will be scheduled. That hearing may be recessed into a pre-hearing conference to consider procedural aspects of the proceeding.

The Commission will consider the intervention petitions and objections, if any, and determine whether the petition of Value Added Communications continues to qualify as an abbreviated proceeding as described in WAC 480-09-520. At any time, by written notice, the Commission may convert an abbreviated proceeding into a formal adjudicative proceeding.

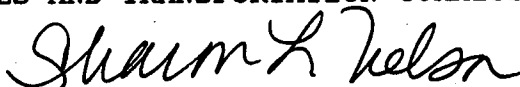
Upon completion of the investigation the Commission will enter an order including findings of fact and conclusions of law.

The Public Counsel Division of the Office of the Attorney General has been designated to represent the public. The address of the Commission, shown below, may be used for inquiries of Public Counsel, or that office may be contacted directly by writing or calling the address or telephone number listed below.

If the Commission believes hearings or further procedural phases to be necessary and appropriate, additional written notice will be provided to parties and interested persons.

DATED at Olympia, Washington, and effective this 17th day of February 1994.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD HEMSTAD, Commissioner

Any inquiries to the Commission should be addressed to:

The Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504
(206) 753-6423

or- Public Counsel Section,
Office of Attorney
General
900 4th Ave. Suite 2000
Seattle, WA 981164
(206) 464-6446