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1 P R O C E E D I N G S

2 JUDGE FRIEDLANDER: Let's go on the record.

3 It is approximately one o'clock in the afternoon on  
4 February 1st, 2010, in the Commission's hearing room in  
5 Olympia, Washington. This is the time and place set  
6 for a hearing in the Commission complaint and order to  
7 show cause against Advanced Tel, Inc.; Air Speed, LLC;  
8 Airnex Communications, Inc.; Clertech.com; Digitline  
9 Express, LLC; Eman Networks; Fox Communication, LLC;  
10 Global Telecom & Technology Americas, Inc; Globetel,  
11 Inc.; GTC Telecom Corp.; LSSI Data Corporation;  
12 Momentum Telecom, Inc.; Quality Telephone, Inc.;  
13 V-Global Communications, Inc., and WTI, LLC, which is  
14 Docket UT-091666. The Complaint alleges violations of  
15 the Commission's regulations and statutes dealing with  
16 annual reporting and regulatory assessment fees.

17 I'm Marguerite Friedlander, and I'm the  
18 administrative law judge presiding over this matter.  
19 This proceeding began when this commission issued a  
20 Complaint and Order to show cause why the  
21 aforementioned companies should not have their permits  
22 for failure to pay regulatory fees and/or failure to  
23 file 2008 annual reports on November 24th, 2009.  
24 Notice of the hearing today was included in the  
25 Complaint and sent to all the companies.

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1           My intention today is to take appearances,  
2 address any preliminary matters that may have come up,  
3 and swear any witnesses in for today's hearing, and we  
4 will do full appearances with name, spelling of the  
5 last name, business address, telephone number, fax  
6 number, and e-mail address. So let's begin with Staff.

7           MR. FASSIO: Michael Fassio, F-a-s-s-i-o,  
8 assistant attorney general on behalf of Commission  
9 staff. My address is 1400 South Evergreen Park Drive  
10 Southwest, PO Box 40128, Olympia, Washington,  
11 98504-7250. My telephone number is (360) 664-1192; fax  
12 number, (360) 586-5522, and e-mail address is  
13 mfassio@utc.wa.gov.

14           JUDGE FRIEDLANDER: Appearing on behalf  
15 of Advanced Telecom, Inc.? Let the record reflect  
16 there is no response. Appearing on behalf of Air  
17 Speed, LLC? Let the record reflect there is no  
18 response. Airnex Communications, Inc.? Let the record  
19 reflect there is no response. Clertech.com? Let the  
20 record reflect there is no response. Digitline  
21 Express, LLC? Let the record reflect there is no  
22 response. Eman Networks? Let the record reflect there  
23 is no response. Fox Communication, LLC? Let the  
24 record reflect there is no response. Global Telecom  
25 and Technology Americas, Inc.? Let the record reflect

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1 there is no response. Globetel, Inc.? Let the record  
2 reflect there is no response. GTC Telecom Corp.? Let  
3 the record reflect there is no response. LSSI Data  
4 Corporation? Let the record reflect there is no  
5 response. Momentum Telecom, Inc.? Let the record  
6 reflect there is no response. Quality Telephone, Inc.?  
7 Let the record reflect there is no response. V-Global  
8 Communications, Inc.? Let the record reflect there is  
9 no response, and WTI, LLC? Let the record reflect  
10 there is no response. Counsel, did I forget any of  
11 those?

12 MR. FASSIO: I think you got them all.

13 JUDGE FRIEDLANDER: Okay, then. I guess at  
14 this point, is there anyone on the bridge line or in  
15 person who would like to enter an appearance or  
16 identify themselves? Again, we have no response.  
17 Mr. Fassio, have any of the companies come into  
18 compliance since the original Complaint was filed?

19 MR. FASSIO: They have, Your Honor, and Staff  
20 would like to make a motion to dismiss five companies  
21 from this complaint who have filed their annual reports  
22 and their regulatory fee sheets as of this morning with  
23 the Commission. The five companies are, Air Speed,  
24 Incorporated; Digitline Express, LLC; Eman Networks;  
25 LSSI Data Corporation, and Quality Telephone,

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1 Incorporated.

2 Staff would like to enter evidence of  
3 compliance on behalf of Staff through Sheri Hoyt after  
4 she is sworn in.

5 JUDGE FRIEDLANDER: Are there any procedural  
6 matters we need to deal with before we get into the  
7 witness testimony?

8 MR. FASSIO: Yes, Your Honor. Staff would  
9 like to move for default against all the remaining  
10 Respondents for failure to appear at this hearing under  
11 the authority of RCW 34.05.440 and WAC 480-07-450, and  
12 Staff further requests under these authorities that the  
13 Commission proceed with the hearing and dispose of the  
14 substantive issues.

15 JUDGE FRIEDLANDER: Thank you. Why don't we  
16 go ahead and swear in your witness at this time then.

17

18 Whereupon,

19 SHERI HOYT,  
20 having been first duly sworn, was called as a witness  
21 herein and was examined and testified as follows:

22

23 DIRECT EXAMINATION

24 BY MR. FASSIO:

25 Q. Good morning.

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1 A. Good morning.

2 Q. Can you please state and spell your first and  
3 last name for the record?

4 A. My name is Sheri Hoyt, S-h-e-r-i, H-o-y-t.

5 Q. Who is your employer?

6 A. Washington Utilities and Transportation  
7 Commission.

8 Q. What is your position with the Commission?

9 A. I'm a compliance investigator.

10 Q. How long have you held this position?

11 A. About six years.

12 Q. Can you please describe your duties as they  
13 relate to this case?

14 A. I investigate the business practices of  
15 regulated utility and transportation companies. In  
16 particular, I'm responsible for investigating and  
17 tracking annual report filings.

18 Q. What statutes or rules do you understand to  
19 be at issue in this proceeding?

20 A. There are three. RCW 80.04.080, which  
21 requires each public service company to file an annual  
22 report with the Commission; RCW 80.24.010, which  
23 requires each public service company to pay an annual  
24 regulatory fee, and WAC 480-120-382, which requires  
25 competitively classified telecommunications companies



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1 to submit annual reports and pay regulatory fees to the  
2 Commission no later than May 1.

3 Q. In your understanding, is it possible under  
4 this rule that telecom communications companies might  
5 owe no regulatory fees?

6 A. It is possible. There is a minimum threshold  
7 of twenty-dollar regulatory fee, and it's waived for  
8 companies having a gross intrastate revenue less than  
9 twenty thousand.

10 Q. The telecommunications company if they also  
11 file an annual report, does the Commission know if any  
12 regulatory fees are due?

13 A. No, we wouldn't know.

14 Q. Are you familiar with any of the companies  
15 named in this proceeding?

16 A. I'm familiar with them all.

17 Q. I would like to ask you about each respondent  
18 separately, but first, can you generally describe how  
19 you are familiar with the companies in this proceeding?

20 A. The financial services staff gives me a list  
21 of all delinquent companies every year, and we go  
22 through a process where we notify the companies that  
23 they are delinquent, and we penalize them if they  
24 haven't filed timely, and finally, we get to this  
25 process where we cancel their registrations for failure

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1 to file.

2 Q. To your knowledge, have any of the companies  
3 that are named in this proceeding filed annual reports  
4 or paid regulatory fees since the Commission filed the  
5 Complaint?

6 A. There are five companies that have come into  
7 compliance since the Complaint was issued.

8 Q. How did you determine that such filings were  
9 made?

10 A. I checked the Commission's Annual Report  
11 Tracking System, or ARTS, and all five have entered  
12 annual reports.

13 Q. When is the last time you checked ARTS?

14 A. Late this morning.

15 Q. I have a couple of questions for you  
16 regarding service. Was the Complaint mailed out to  
17 each company via certified mail and regular mail?

18 A. It was.

19 Q. Were they sent to the addresses on record  
20 with the Commission?

21 A. They were.

22 Q. Was the Complaint mailed out to some  
23 companies at any additional addresses different from  
24 those that are on file?

25 A. There were three companies when the original

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1 mailings came back for multiple reasons. I did  
2 additional reasons for Digitline Express, Globetel,  
3 Inc., and GTC Telecom. They had received recent  
4 penalty assessments, and they were also returned by the  
5 postal service. So in additional research, I intended  
6 to locate current mailing addresses, and they  
7 identified additional addresses for the companies.

8 Q. For those three companies?

9 A. For the three companies.

10 Q. Were any of the certified mailings returned  
11 as undelivered?

12 A. Well, Digitline actually came into  
13 compliance. Globetel came back, the certified card  
14 came back signed to the second address that it was  
15 mailed to. The first ones were addressed and returned  
16 to the address of record. They came back moved,  
17 unknown, return to sender, and moved.

18 Q. Can you clarify which ones you are referring  
19 to there?

20 A. Sure. The first class was moved, unknown,  
21 return to sender, and the certified was returned, move.

22 Q. And you are speaking about Globetel?

23 A. Yes.

24 Q. Were any of the certified mailings for any of  
25 the other companies returned?

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1           A.     Yes.   GTC Telecom, the certified mailing was  
2 returned undeliverable as addressed. The first class  
3 mailing was returned as undeliverable as addressed, and  
4 a third certified mailing was returned unclaimed. In  
5 additional research, I found no Web site for the  
6 company, and the phone numbers of record ring a fast  
7 busy.

8           Q.     For GTC Telecom Corp?

9           A.     Yes.

10          Q.     Did you do any additional investigation after  
11 the Complaint was served to determine if there was any  
12 alternative mailing addresses?

13          A.     Yes, and that's where I came up with an  
14 additional address for Digitline Express, Globetel,  
15 Inc., and GTC Telecom.

16          Q.     Can you clarify for the record, were those  
17 addresses sent with the original Complaint?

18          A.     Oh, yes. They were sent recent exactly as  
19 the first mailing would have been done but to the  
20 second addresses that I found.

21          Q.     With the original Complaint.

22          A.     Absolutely.

23          Q.     Now I will ask you about the individual  
24 companies, and I will take them in the order they are  
25 listed in the Complaint, which I believe is

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1 alphabetical.

2 Was one of the companies referred to you

3 Advanced Tel, Inc.?

4 A. Yes.

5 Q. Has Advanced Tel, Inc., filed a 2008 annual

6 report?

7 A. It has not.

8 Q. What is your recommendation to the Commission

9 regarding Advanced Tel, Inc.?

10 A. I recommend that the Commission revoke its

11 telecommunications registration.

12 Q. Was one of the companies referred to you Air

13 Speed, LLC?

14 A. It was.

15 Q. Has Air Speed, LLC, filed a 2008 annual

16 report?

17 A. It has.

18 Q. Can you please refer to what's been marked as

19 Exhibit No. 1?

20 A. (Witness complies.)

21 Q. Is Exhibit No. 1 a true and accurate copy of

22 Air Speed, LLC's 2008 annual report?

23 A. It is.

24 Q. When was Air Speed's annual report filed?

25 A. It was received by the Commission on January

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1 22 of 2010.

2 Q. Did Air Speed, LLC, owe any regulatory fees  
3 for 2009?

4 A. It did not.

5 MR. FASSIO: At this time, I would like to  
6 offer Exhibit No. 1 for admission into evidence.

7 JUDGE FRIEDLANDER: Do you want to wait until  
8 we get through the exhibits to offer them for  
9 admission, or do you want to go each one?

10 MR. FASSIO: I could do that if it would save  
11 time.

12 JUDGE FRIEDLANDER: Okay; that's fine.

13 MR. FASSIO: So is Exhibit No. 1 admitted at  
14 this time or are we going to wait?

15 JUDGE FRIEDLANDER: We will go ahead and  
16 wait, if you don't mind.

17 Q. (By Mr. Fassio) What is your recommendation  
18 regarding Air Speed, LLC?

19 A. That the Commission not cancel its  
20 registration.

21 Q. Was one of the companies referred to you  
22 Airnex Communications?

23 A. Yes.

24 Q. Did Airnex Communications file a 2008 annual  
25 report?

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1 A. It did not.

2 Q. What is your recommendation regarding Airnex  
3 Communications?

4 A. That the Commission cancel its registration.

5 Q. Was one of the companies referred to you  
6 Clertech.com?

7 A. It is.

8 Q. Did Clertech.com file a 2008 annual report?

9 A. It did not.

10 Q. What is your recommendation regarding  
11 Clertech.com?

12 A. That the Commission cancel its registration.

13 Q. Was one of the companies referred to you  
14 Digitline Express, LLC?

15 A. Yes.

16 Q. Did Digitline Express, LLC, file a 2008  
17 annual report?

18 A. It did. It was received by the Commission on  
19 January 14th.

20 Q. I would like you to please refer to Exhibit  
21 No. 2 that's marked as Exhibit No. 2. Is this a true  
22 and accurate copy of Digitline's annual 2008 report?

23 A. It is.

24 Q. Does this exhibit reflect your earlier  
25 testimony that it was received on January 14th?

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1 A. Yes.

2 Q. What is your recommendation to the Commission  
3 regarding Digitline Express?

4 A. That the Commission not cancel its  
5 registration.

6 Q. Was one of the companies referred to you Eman  
7 Networks?

8 A. Yes.

9 Q. Has Eman Networks filed a 2008 annual report?

10 A. Yes, it has.

11 Q. Please refer now to the exhibit marked  
12 Exhibit No. 3. Is Exhibit No. 3 a true and accurate  
13 copy of Eman Networks' 2008 annual report?

14 A. It is.

15 Q. When was this report filed?

16 A. It was received this morning. However, it  
17 appears that the date stamp has an error. It says  
18 January 32. It was received this morning, February 1.

19 Q. Did Eman Networks owe any regulatory fees for  
20 2009?

21 A. It did. It owed \$581.93 including a two  
22 percent penalty for paying late and one percent for  
23 each month that it is beyond May.

24 Q. Has Eman Networks paid the regulatory fee?

25 A. It did.



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1 Q. Could you refer to what has been marked as  
2 Exhibit No. 4?

3 A. (Witness complies.)

4 Q. Is Exhibit No. 4 a true and accurate copy of  
5 the ARTS record for this carrier reflecting payment of  
6 the 2009 regulatory fee and other associated fees?

7 A. Yes.

8 Q. What is your recommendation to the Commission  
9 concerning this company?

10 A. That the Commission not cancel its  
11 registration.

12 Q. Was one of the companies referred to you Fox  
13 Communication, LLC?

14 A. It was.

15 Q. Has Fox Communication, LLC, filed a 2008  
16 annual report?

17 A. It has not.

18 Q. What is your recommendation to the Commission  
19 regarding Fox Communication, LLC?

20 A. That the Commission cancel its registration.

21 Q. Was one of the companies referred to you  
22 Global Telecom and Technology Americas, Inc.?

23 A. It was.

24 Q. Has Global Telecom and Technology Americas,  
25 Inc., filed a 2008 annual report?

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1 A. It has not.

2 Q. What is your recommendation regarding this  
3 company?

4 A. That the Commission cancel its registration.

5 Q. Was one of the companies referred to you  
6 Globetel, Inc.?

7 A. Yes.

8 Q. Has Globetel, Inc., filed a 2008 annual  
9 report?

10 A. It has not.

11 Q. What is your recommendation to the Commission  
12 regarding this company?

13 A. That the Commission cancel its registration.

14 Q. Was one of the companies in this proceeding  
15 GTC Telecom Corporation?

16 A. Yes.

17 Q. Has GTC Telecom Corporation filed a 2008  
18 annual report with the Commission?

19 A. It has not.

20 Q. What is your recommendation to the Commission  
21 regarding this company?

22 A. That the Commission cancel its registration.

23 Q. Was one of the companies referred to you in  
24 this proceeding LSSI Data Corporation?

25 A. Yes.

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1 Q. Has LSSI Data Corporation filed a 2008 annual  
2 report?

3 A. It has.

4 Q. And when was that report filed?

5 A. It was received on January 25th, 2010.

6 Q. Did LSSI Data Corporation pay a 2009  
7 regulatory fee?

8 A. No. A regulatory fee was not owed.

9 Q. I would like you to turn please to what has  
10 been marked as Exhibit No 5.

11 A. (Witness complies.)

12 Q. Is Exhibit No. 5 a true and accurate copy of  
13 LSSI Data Corporation's 2008 annual report?

14 A. Yes.

15 Q. What is your recommendation to the Commission  
16 regarding this company?

17 A. That the Commission not cancel its  
18 registration.

19 Q. Was one of the companies referred to you in  
20 this proceeding Momentum Telecom, Incorporated?

21 A. Yes.

22 Q. Has Momentum Telecom filed a 2008 annual  
23 report?

24 A. It has not.

25 Q. What is your recommendation to the Commission

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1 regarding this company?

2 A. That the Commission cancel its registration.

3 Q. Was one of the companies referred to you in  
4 this proceeding Quality Telephone, Incorporated?

5 A. Yes.

6 Q. Has Quality Telephone, Incorporated, filed a  
7 2008 annual report?

8 A. It has.

9 Q. Can you refer, please, to what's been marked  
10 as Exhibit No. 6?

11 A. (Witness complies.)

12 Q. Is this a true and accurate copy of Quality  
13 Telephone's 2008 annual report?

14 A. It is.

15 Q. When was this annual report filed?

16 A. November 17 of 2009. However, it appears  
17 that the annual report was incomplete. A complete  
18 report was received on December 11th of 2009.

19 Q. Did Quality Telephone owe any regulatory fees  
20 for 2009?

21 A. It did not.

22 Q. If I could just refer you to Page 5 of  
23 Exhibit No. 6, does this page demonstrate what you just  
24 testified; that is, they did not owe any regulatory  
25 fees for 2009?

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1 A. That's correct.

2 Q. What is your recommendation to the Commission  
3 regarding this company?

4 A. That the Commission not cancel its  
5 registration.

6 Q. Was one of the companies referred to you in  
7 this proceeding V-Global Communications, Inc.

8 A. Yes.

9 Q. Has V-Global Communications filed a 2008  
10 annual report?

11 A. It has not.

12 Q. What is your recommendation to the Commission  
13 regarding this company?

14 A. That the Commission cancel its registration.

15 Q. Was one of the companies referred to you in  
16 this proceeding WTI, LLC?

17 A. Yes.

18 Q. Has WTI, LLC, filed a 2008 annual report?

19 A. It has not.

20 Q. What is your recommendation to the Commission  
21 regarding this company?

22 A. That the Commission cancel its registration.

23 MR. FASSIO: Thank you, Ms. Hoyt. At this  
24 time, Your Honor, I have no further questions for  
25 Ms. Hoyt. I'm happy to summarize with a closing at any

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1 point.

2 JUDGE FRIEDLANDER: I don't have any  
3 questions either. Please go ahead and summarize.

4 MR. FASSIO: In summary, Staff recommends  
5 that the Commission cancel the permits of the following  
6 companies that are named in the Complaint: Airnex  
7 Communications; Clertech.com; Fox Communication, LLC;  
8 Global Telecom and Technology Americas, Inc.; Globetel,  
9 Inc.; GTC Telecom; Momentum Telecom; V-Global  
10 Communications, and WTI, LLC.

11 Staff has presented evidence that these  
12 companies have failed to file annual reports. Because  
13 the companies have not filed annual reports, Staff does  
14 not know whether they owe 2009 regulatory fees or not.  
15 If they do, they have failed to pay them. Staff has  
16 already moved to dismiss the remaining companies and  
17 has presented evidence that the remaining companies  
18 have filed 2008 annual reports and if applicable have  
19 paid their 2009 regulatory fees. I have nothing  
20 further, Your Honor. Thank you.

21 JUDGE FRIEDLANDER: Just to clarify, you also  
22 wanted Advanced Tel, Inc., in the category of  
23 revocation; is that correct?

24 MR. FASSIO: Yes, Your Honor, I apologize.  
25 Advanced Tel, Inc., is also one of the companies that

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1 Staff recommends canceling.

2 JUDGE FRIEDLANDER: Thank you. Did you want  
3 to go ahead and request admission of the exhibits at  
4 this point?

5 MR. FASSIO: Yes, Your Honor. We have six  
6 exhibits, and we would request that they be admitted  
7 into evidence.

8 JUDGE FRIEDLANDER: Thank you, and I know  
9 that it's hard to object if nobody is here, but I will  
10 at least ask. Are there any objections to the  
11 admission of these exhibits? Hearing nothing, they are  
12 admitted, and you also had an outstanding motion for  
13 default for the companies that you named and have  
14 requested that those companies' registrations be  
15 canceled. Are there any objections to holding the  
16 parties in default at this point for not having  
17 appeared at the hearing today? Hearing nothing, I will  
18 go ahead and grant that motion.

19 So are there any other matters that we need  
20 to address today before closing?

21 MR. FASSIO: No, Your Honor.

22 JUDGE FRIEDLANDER: Thank you. So there  
23 being nothing further, this hearing is adjourned.  
24 Thank you.

25