

Washington Exchange Carrier Association

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June 27, 2007

Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: WAC 480-120-399(a)(i)
WAC 480-120-352(5)

Dear Ms. Washburn;

Enclosed is a report (Attachment 4, dated 06/15/06) showing WECA fund collections and distributions to each member company for the 2006 WECA administered pools. The report also shows 2006 originating and terminating CCL access minutes by company. **Attachment 4 is filed on a confidential basis pursuant to WAC 480-07-160 because it contains company-specific proprietary financial data, the disclosure of which could be detrimental to the company and provide competitors with access to competitively sensitive data. The information should not be disclosed to other parties without the written consent of the affected companies.** The persons that might be affected by disclosure include the individual companies listed on Attachment 4.

WECA pool access revenues are collected from interexchange carriers (IXCs) providing intrastate toll services in the state of Washington. The IXCs pay access charges that are assessed per WECA Tariff WN U-1. In addition to the WECA access charges, all non-WECA local exchange carriers operating within the state of Washington are supposed to assess the USF rate at \$.00152 per access minute on all intrastate originating and terminating access minutes and remit the resulting revenues to WECA.

Pool distributions are based upon each company's respective revenue objective. Beaver Creek Telephone Company joined WECA effective August 1, 2006. Their revenue objective was approved by the WUTC at that time. Because of the WECA tariff change effective July 1, 2006 to add Beaver Creek Telephone Company to the WECA pools, the other WECA member company's revenue objectives for 2006 were based upon six months of actual 2001 pool distributions, and six months of actual 2004 pool distributions.

Also enclosed are schedules that list WECA member companies, WECA Board and Committee membership, and WECA Docket activities. Also enclosed, as supplemental information is a copy of our latest annual report that covers the 2005 WECA pool year.

Sincerely,



Craig J. Phillips
Administrator
Enclosures

STATE OF WASHINGTON
UTIL. AND TRANSP.
COMMISSION
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WECA MEMBER COMPANIES

Asotin Telephone Company
Beaver Creek Telephone Company (1)
CenturyTel of Cowiche, Inc.
CenturyTel of Inter-Island, Inc.
CenturyTel of Washington, Inc.
Computers 5*, Inc.
Ellensburg Telephone Company
Hat Island Telephone Company
Hood Canal Telephone Co. Inc.
Inland Telephone Company
Kalama Telephone Company
Lewis River Telephone Company, Inc.
M&L Enterprises, Inc.
Mashell Telecom, Inc.
McDaniel Telephone Company
Pend Oreille Telephone Company
Pioneer Telephone Company
St. John Telephone Company
Tenino Telephone Company
The Toledo Telephone Co., Inc.
Western Wahkiakum County Telephone Company
Westgate Communications. LLC (2)
Whidbey Telephone Company
YCOM Networks, Inc.

(1) Beaver Creek Telephone Company joined WECA effective July 1, 2006.

(2) Westgate Communications (d/b/a WeavTel) Joined WECA effective May 1, 2007.

2006-2007 BOARD OF DIRECTORS

The following individuals were elected to Board positions at the June 27, 2006 annual membership meeting:

<u>INDIVIDUAL</u>	<u>AFFILIATION</u>
<u>Subset A Directors</u>	
TOM GORMAN	YCOM NETWORKS, INC.
JANA MANTEROLA	ELLENSBURG TELEPHONE COMPANY
JACKIE PHILLIPS	CENTURYTEL OF WASHINGTON, INC.
ROB SNYDER (WECA VICE-PRESIDENT)	WHIDBEY TELEPHONE COMPANY
<u>Subset B Directors:</u>	
STEVE APPELO	WESTERN WAHAKIAKUM COUNTY TELEPHONE COMPANY
JAMES BROOKS	INLAND TELEPHONE COMPANY
RICHARD BUECHEL	HOOD CANAL TELEPHONE CO. INC.
STEVE HANSON (WECA SECRETARY/TREASURER)	TENINO TELEPHONE COMPANY
GAIL LONG	LEWIS RIVER TELEPHONE CO., INC.
BOB SMITH (WECA PRESIDENT)	KALAMA TELEPHONE COMPANY

UNIVERSAL SERVICE FUND AND NON-TRAFFIC SENSITIVE FUND COMMITTEES:

Committee members for the pool year ended December 31, 2006 were:

Bob Smith, Chairman
Steve Appelo
James Brooks
Richard Buechel
Tom Gorman
Steve Hanson
Gail Long
Jana Manterola
Jackie Phillips
Rob Snyder

The USF and the NTS Committees, which meet monthly, oversee the activities of the Traditional USF, the Interim USF and the CCL Pool, respectively.

Intrastate Telecommunications Plan (1987-2000)

The Washington Utilities and Transportation Commission (WUTC) adopted the Intrastate Telecommunications Plan (ITP) on December 30, 1986. WECA tariffs filed in accordance with the ITP became effective on April 1, 1987. The ITP established the USF and NTS Funds to provide for the pooling of revenues and expenses relating to the intrastate portion of non-traffic sensitive (NTS) costs. The NTS revenue requirements for the pools were based upon projected investment, expenses and separation factors. The revenues were collected through carrier common line and universal service fund access charges billed to long-distance carriers for access to the local network. On September 1, 2000, a new access plan, the Washington Access Carrier Plan (WCAP) was implemented.

Washington Access Carrier Plan (WCAP)

The WCAP, which replaced the ITP, was approved by the WUTC to become effective on September 1, 2000. The WCAP established three voluntary pools related to intrastate NTS costs. The first of these pools is the universal service support pool created in the ITP, which is referred to in the WCAP as the "Traditional USF." The second of these pools involves the interim universal fund element created to comply with the WUTC's terminating access rule. This pool is referred to in the WCAP as the "Interim USF." The third pool deals with revenues produced by the originating carrier common line (CCL) rates assessed by participating companies. This pool is referred to in the WCAP as the "CCL Pool."

Traditional USF

The Traditional USF pool is not open to new participants. The Traditional USF rate will remain frozen at \$.00152, except as it may be modified by the withdrawal of a participating LEC. The distributions from the Traditional USF are based upon distribution ratios calculated using the actual distributions received by participating LECs for the 1999 pool year. Distribution ratios will be adjusted to reflect the exit of any participating LEC who leaves the Traditional USF pool.

All LECs operating within the state of Washington shall assess the Traditional USF rate at \$.00152 per access minute on all intrastate originating and terminating access minutes and shall remit the resulting revenues to WECA.

Interim USF

All Washington LECs are eligible to participate in the Interim USF. The distributions from the Interim USF are based upon distribution ratios calculated using the actual distributions received by participating LECs for the prior pool year. Distribution ratios will be adjusted to reflect the entry of a new participant, or the exit of any participating LEC from the Interim USF pool.

The Interim USF rate is applied to the terminating rated intrastate access minutes of pool participants. The resulting revenues are remitted to WECA and distributed to Interim USF pool participants monthly.

CCL Pool

All Washington LECs are eligible to participate in the CCL Pool. The distributions from the CCL Pool are based upon distribution ratios calculated using the actual distributions received by participating LECs for the prior pool year. Distribution ratios will be adjusted to reflect the entry of a new participant, or the exit of any participating LEC from the CCL Pool.

The CCL Pool rate is applied to the originating rated intrastate access minutes of pool participants. The resulting revenues are remitted to WECA and distributed to CCL Pool participants monthly.

TARIFF BUREAU

The WECA Tariff Bureau was formed to provide an open forum for member companies and other interested parties to jointly consider proposals for publication, amendment or cancellation of tariff schedules or related orders, rules, regulations and agreements governing Washington intrastate telecommunication services. The Tariff Bureau operates under Rules of Procedure that have been put in place by order of the WUTC. All proposals that are considered by WECA must be subject to WUTC jurisdiction. Any proposals that are approved by WECA, through its Tariff Bureau docket process, must be filed for approval by the WUTC.

The following dockets were addressed by WECA during 2005:

Docket #92-02 - Implementation and Oversight of the Data Distribution Center (DDC)

Verizon initiated this Docket on July 2, 1992, to develop a plan for implementing a Primary Toll Carrier Plan (PTC) environment in the state of Washington. As a result of the meetings held in this docket, the Data Distribution Center (DDC) became operational in Washington on October 1, 1996.

This docket remains open to provide oversight of DDC operations.

Docket #02-01 - Bypass of Terminating Access Charges

Docket #02-01 was initiated to investigate the bypass of terminating access charges through: (1) use of FGC termination of traffic originating from wireless and other carriers, (2) failure of interexchange carriers to modify PIUs and (3) other causes. At the docket meeting on April 29, 2002 it was determined that the docket would focus on FGC and EAS routing issues, along with wireless issues and PIUs. Docket work sessions were held during 2003, 2004 and early 2005 to address these issues.

A report and recommendation on docket issues was approved by the WECA Board at its September 27, 2005 meeting. The report and recommendation was filed with the WUTC requesting that they act on the report. WUTC Staff has taken no action on this request. This docket remains open.