

Washington Exchange Carrier Association

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August 2, 2012

David W. Danner, Executive Director and Secretary
Washington State 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 Mr. Danner;

Enclosed, as supplemental information, is a copy of our latest annual report that covers the 2010 WECA pool year. The report lists the member companies, WECA board and committee members and information related to WECA activities. This report was accidentally omitted from our June 28, 2012 mailing.

Sincerely,



Craig J. Phillips
Administrator
Enclosures

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PROGRAMS MANAGEMENT
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STATE OF WASH.
UTIL. AND TRAFFIC
COMMISSION

**Washington Exchange Carrier
Association
2010 Annual Report**

FOREWORD

The Washington Exchange Carrier Association (WECA), a non-profit corporation, was formed May 28, 1987. For 2010, WECA's membership consists of 24 Local Exchange Telecommunications Companies (LECs) operating within the state of Washington. WECA is involved in the development and filing of intrastate carrier common line and universal service fund access tariffs, pooling the revenues which are derived from those tariffs, and distributing those revenues to the member companies.

Effective May 27, 1992 the Washington Utilities & Transportation Committee approved rules of procedure allowing WECA to operate as a tariff bureau. Pursuant to these rules of procedure WECA provides an open forum for member companies and other interested parties to discuss and consider proposals affecting Washington intrastate telecommunications services.

On October 1, 1996 WECA became responsible for the administration of the Data Distribution Center (DDC) in the state of Washington. The DDC receives intralata originating access records from participating companies and produces and distributes intralata terminating access records to all LECs. These records are used to bill terminating access to certain intralata carriers. Prior to the implementation of the DDC, intralata terminating access was billed based upon terminating to originating minute ratios. With the advent of the DDC, terminating access is now billed based upon actual usage.

WECA MEMBER COMPANIES

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

(1) Beaver Creek Telephone Company and Skyline Telecom, Inc. were merged on July 1, 2011 with the surviving corporation becoming Skyline Telecom, Inc.

(2) As of May 29, 2011 the CenturyTel companies no longer participate in the WECA Interim USF Pool or the WECA CCL Pool. However, these companies still participate in the Traditional USF Pool.

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2011-2012 BOARD OF DIRECTORS

The following nine individuals were elected to Board positions at the June 8, 2011 annual membership meeting:

<u>INDIVIDUAL</u>	<u>AFFILIATION</u>
STEVE APPELO	WESTERN WAHIAKUM 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
JANA MANTEROLA	ELLENSBURG TELEPHONE COMPANY
DALE MERTEN	THE TOLEDO TELEPHONE CO. INC.
BOB SMITH (WECA PRESIDENT)	KALAMA TELEPHONE COMPANY
ROB SNYDER (WECA VICE-PRESIDENT)	WHIDBEY TELEPHONE COMPANY

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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. Distribution ratios are also adjusted to reflect any changes in a participant's Revenue Objective as a result of an order by the WUTC.

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. Distribution ratios are also adjusted to reflect any changes in a participant's Revenue Objective as a result of an order by the WUTC.

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.

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**POOL SUMMARY
For Year Ended December 31, 2010**

POOLED REVENUES

TRADITIONAL USF POOL	\$ 4,077,192
INTERIM USF POOL	7,991,806
CCL POOL	<u>1,494,705</u>

TOTAL REVENUES **\$ 13,563,703**

DISTRIBUTIONS

TRADITIONAL USF DISTRIBUTIONS TO MEMBERS	\$3,967,887
INTERIM USF DISTRIBUTIONS TO MEMBERS	7,937,064
CCL DISTRIBUTIONS TO MEMBERS	1,481,595
ADMINISTRATIVE EXPENSES	<u>177,157</u>

TOTAL DISTRIBUTIONS **\$ 13,563,703**

(UNAUDITED – FOR INTERNAL USE ONLY)

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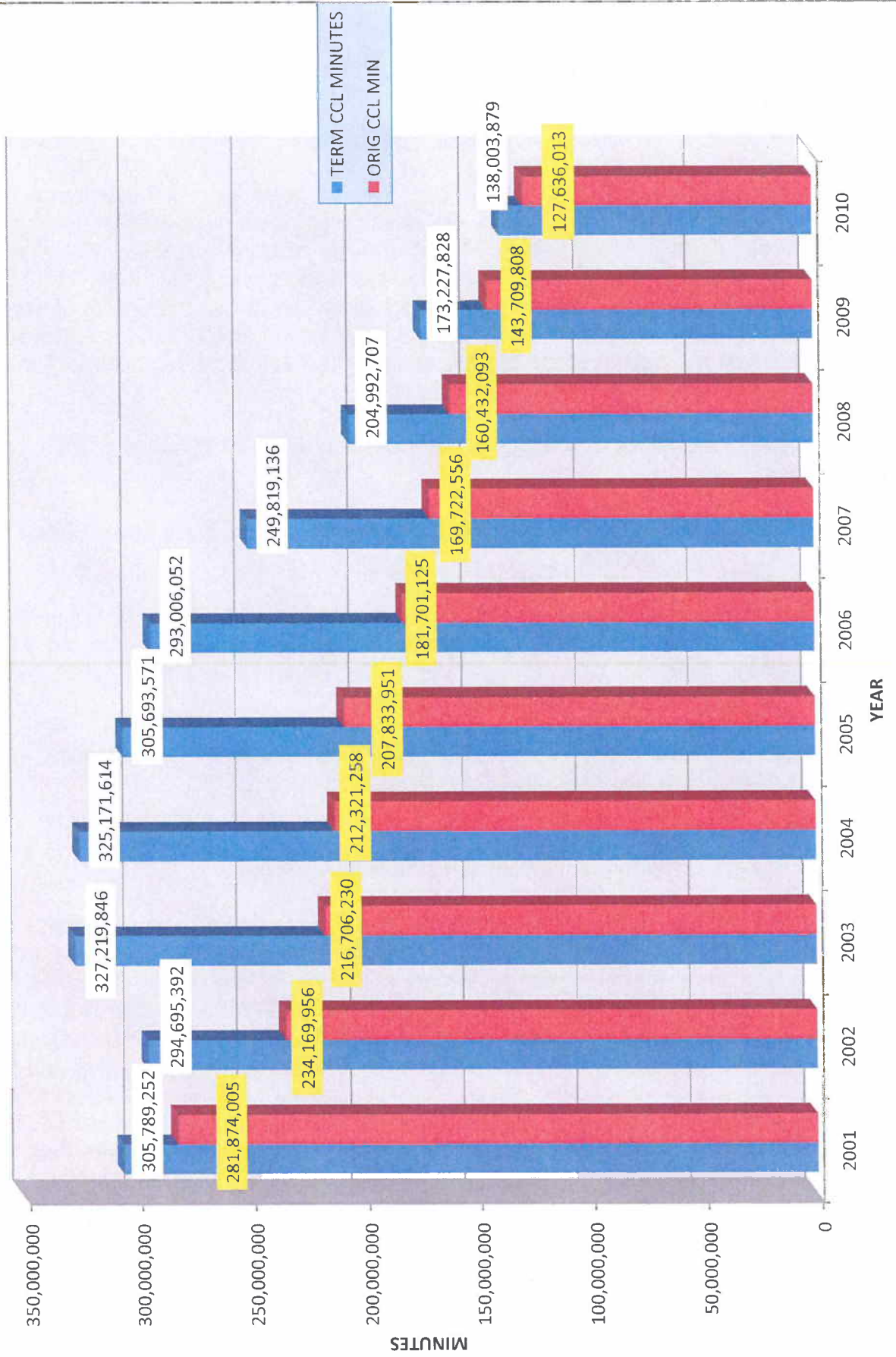
WCAP MINUTE & REVENUE GROWTH

<u>YEAR</u>	<u>USF MINUTES</u>	<u>GROWTH FROM PRIOR YEAR</u>	<u>USF REVENUES</u>	<u>GROWTH FROM PRIOR YEAR</u>
2001	6,259,068,183	N/A	\$9,511,345	N/A
2002	5,240,157,419	(16.28%)	\$7,965,787	(16.25%)
2003	4,780,654,328	(8.77%)	\$7,267,721	(8.76%)
2004	5,177,143,838	8.29%	\$7,870,584	8.30%
2005	4,727,000,994	(8.69%)	\$7,187,921	(8.67%)
2006	4,330,502,268	(8.39%)	\$6,585,268	(8.38%)
2007	3,711,217,320	(14.30%)	\$5,644,693	(14.28%)
2008	3,412,768,075	(8.04%)	\$5,176,274	(8.30%)
2009	3,208,301,380	(5.99%)	\$4,858,375	(6.14%)
2010	2,707,146,063	(15.62%)	\$4,077,192	(16.08%)
2001- 2010	(3,551,922,120)	(56.75%)	(\$5,434,153)	(57.13%)

<u>YEAR</u>	<u>INTERIM USF MINUTES</u>	<u>GROWTH FROM PRIOR YEAR</u>	<u>INTERIM USF REVENUES</u>	<u>GROWTH FROM PRIOR YEAR</u>
2001	305,789,252	N/A	\$17,449,705	N/A
2002	294,695,392	(3.63%)	\$16,827,108	(3.57%)
2003	327,219,846	11.04%	\$18,822,587	11.86%
2004	325,171,614	(0.63%)	\$18,701,577	(0.64%)
2005	305,693,571	(5.99%)	\$17,589,608	(5.95%)
2006	293,006,052	(4.15%)	\$16,980,165	(3.46%)
2007	249,819,136	(14.74%)	\$14,738,417	(13.20%)
2008	204,992,707	(17.94%)	\$12,040,530	(18.31%)
2009	173,227,828	(15.50%)	\$10,053,788	(16.50%)
2010	138,003,899	(20.33%)	\$7,991,806	(20.51%)
2001- 2010	(167,785,353)	(54.87%)	(\$9,457,899)	(54.20%)

<u>YEAR</u>	<u>ORIG CCL MINUTES</u>	<u>GROWTH FROM PRIOR YEAR</u>	<u>ORIG CCL REVENUES</u>	<u>GROWTH FROM PRIOR YEAR</u>
2001	281,874,005	N/A	\$2,874,407	N/A
2002	234,169,956	(16.92%)	\$2,387,853	(16.93%)
2003	216,706,230	(7.46%)	\$2,532,660	6.06%
2004	212,321,258	(2.02%)	\$2,490,273	(1.67%)
2005	207,833,951	(2.11%)	\$2,436,341	(2.17%)
2006	181,701,125	(12.57%)	\$2,129,827	(12.58%)
2007	169,722,556	(6.59%)	\$1,990,135	(6.56%)
2008	160,432,093	(5.47%)	\$1,880,285	(5.52%)
2009	143,709,808	(10.42%)	\$1,683,890	(10.44%)
2010	127,636,013	(11.18%)	\$1,494,705	(11.23%)
2001- 2010	(154,237,992)	(54.72%)	(\$1,379,707)	(48.00%)

WECA ORIGINATING AND TERMINATING MINUTES



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WUTC Docket No. UT-100085 – WECA Tariff Filing

On January 12, 2010 WECA made a tariff filing to revise tariff language related to late payment penalty. The revised language established a late payment rate equal to the amount included in the NECA tariff, and also changed the penalty rate on a disputed payment to match the rate charged for late payments. In addition, the filing established a customer charge for notice of disconnection or notice of nonpayment where a customer incurs more than one such notice within any twelve-month period. The revisions became effective on February 15, 2010.

ADMINISTRATION

The administrative staff is responsible for managing the pooling and distribution of intrastate carrier common line and universal service fund access revenues, monitoring pool results, preparing and filing access tariffs and providing support to the Board of Directors and various WECA committees. The administrative staff also provides support for the Tariff Bureau activities of WECA, and oversees the administration of the Data Distribution Center. Administrative staff members for the pool year ended December 31, 2010 were:

Craig Phillips	-	Administrator
Bob Kennedy	-	Analyst
Duane Vollrath	-	DDC Coordinator

NOTES TO FINANCIAL STATEMENTS

Note 1: Accounts Receivable at December 31, 2010 consists of the following:

Traditional USF Pooled Revenues	\$ 245,760
Interim USF Pooled Revenues	580,059
CCL Pooled Revenues	<u>103,329</u>
TOTAL	<u>\$929,148</u>

Note 2: Distributions Payable To Members at December 31, 2010 consists of the following:

Traditional USF distributions payable	\$ 219,607
Interim USF distributions payable	573,238
CCL distributions payable	<u>102,069</u>
TOTAL	<u>\$894,914</u>

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