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## Business

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Future Unknown

OlyWa offices empty

**Staff laid off, service could be cut as parent company files Chapter 11**

Although OlyWa.net's work force was laid off due to ATG's ailing finances, Dave Olson hopes he and some other former OlyWa employees can launch a new Internet service provider.



Steve Bloom

SCOTT WYLAND THE OLYMPIAN

OLYMPIA -- Advanced TelCom Group Inc., which owns OlyWa.net, has filed for Chapter 11 bankruptcy protection, a move that eventually could leave 1,550 local Internet subscribers without service.

Santa Rosa, Calif.-based ATG has laid off all 10 of OlyWa's employees, plus a dozen ATG workers in its Olympia office.

Internet users who need technical support must call an 800 number.

Although ATG can solve most users' problems over the phone, it has no one to maintain or repair the on-site equipment in Olympia, said Dave Olson, former OlyWa co-owner.

"Any hardware failures can't be handled from afar," Olson said. "Sooner or later something will happen."

For instance, Monday he observed a server that handles e-commerce for a group of clients was down, he said.

To override the glitch, someone simply needed to reboot the computer -- but there was no one there to do that, he said.

OlyWa is a lower priority for ATG, whose main thrust is offering callers an alternative to buying phone service from utilities such as Qwest, Olson said.

ATG will shut down OlyWa if it can't find someone to buy the customer accounts, he said.

Two years ago, ATG bought then-5-year-old OlyWa for an undisclosed sum. One of the co-founders, Olson stayed on as a marketing manager.

Of the 25 workers who were employed locally after the merger, one or two salespeople and a phone installer remain, Olson said.

Jeannette Meyer, ATG finance director, said last week's Chapter 11 filing would have no effect on telephone customers. That includes ATG's subsidiary, FairPoint Solutions.

However, Meyer wouldn't say how OlyWa subscribers would be affected.

She acknowledged that the filing compelled the company to reduce costs, including trimming staff. ATG closed offices in New York, Connecticut, Maryland and Virginia.

Under Chapter 11, ATG must reorganize in such a way that it can pay off at least a portion of the debt owed creditors.

Buyer wanted

ATG now is on the hunt for a buyer and will hold off on cutting any more jobs, Meyer said, adding that a new owner could opt to lay off more workers after the sale.

Olson and other OlyWa team members plan to launch a company called Zhonka Broadband, which will offer DSL to customers throughout Western Washington, with the focus being on South Sound.

Olson said he had been waiting for a non-compete clause, which he signed when ATG bought OlyWa, to expire June 15.

But ATG's Chapter 11 filing has nullified that agreement, at least in spirit, he said. So he plans to rev up the Zhonka venture immediately.

Zhonka, he said, will lure OlyWa users who either will grow dissatisfied with the diminishing service or find themselves with no Internet access if ATG pulls the plug.

Olson said he decided to base the venture on high-speed connections because dial-up modems, aside from being slower and less appealing, demand more workers.

ATG's financial ills are a symptom of the malaise gripping the entire telecommunications industry, said Dennis Matson, executive director of the Economic Development Council of Thurston County.

Given the sluggish economy, telecom carriers are having difficulty drumming up capital to expand, Matson said. If a company doesn't show vibrant growth, it can't attract enough investors to do an initial public stock offering.

Matson bemoaned ATG's ebbing fortunes, saying he encouraged the company to build a network in South Sound, so residents could have more telecom choices.

"For people in Thurston County, the more options, the better," Matson said.

Concerns

OlyWa.net subscribers with problems or concerns about their service can call Advanced TelCom Group at 800-285-6100 or e-mail [atgservice@callatg.com](mailto:atgservice@callatg.com).

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