



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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July 12, 2016

Steven V. King, Executive Director and Secretary
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. 321 Communications, Inc.*

Commission Staff's Response to Request for Hearing UT-160537

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160537 against 321 Communications, Inc. for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports, supporting documentation and the regulatory fee to the commission no later than May 1 each year, or in this case, May 2 as May 1 was a Sunday.

On June 27, 2016, 321 Communications, Inc. wrote the commission requesting a hearing disputing the violation occurred. In its hearing request, the company states "...Annual report filing confirmations received on May 3." Additionally, the company provided a copy of the electronic filing confirmation that confirms they filed an annual report on May 3.

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline, or in this case, May 2 as May 1 was a Sunday. On February 29, 2016, Annual Report packets were mailed to all regulated telecommunication companies. The instructions page along with Schedule 1, Part A informs the regulated company that it must complete the annual report form, provide the supporting financial reporting documents and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On May 3, 2016, 321 Communications, Inc. filed an incomplete 2015 annual report and paid the regulatory fees owed. Commission staff contacted the company via phone on May 4, 2016 and advised the company that the annual report was incomplete. The annual report was incomplete as the company did not provide page 4 (Schedule 1) of the annual report, nor did the company provide a balance sheet and income statement. On May 24, 2016, 321 Communications, Inc. emailed staff page 4 (Schedule 1), and the company's balance sheet and income statement.

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Staff does not support the company's request for hearing as commission staff did not receive a complete and accurate annual report prior to the May 2 deadline and it is the company's responsibility to file a complete and accurate annual report. 321 Communications, Inc. became an active company in 2009 and previously filed late for the following years: 2012, 2013 and 2014. The company paid the penalties in full each year. Due to the history of violations, staff does not recommend mitigation nor a reduction of the penalty.

If you have any questions regarding this recommendation, please contact Sean Bennett, Regulatory Analyst, at (360) 664-1157, or sbennett@utc.wa.gov.

Sincerely,



Sondra Walsh, Director
Administrative Services