



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

July 28, 2014

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. TeleDias Communications, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-140919

Dear Mr. King:

On June 2, 2014, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-140919 against TeleDias Communications, Inc. for 10 violations of Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to furnish annual reports to the commission no later than May 1 each year.¹

On July 8, 2014, TeleDias Communications, Inc. wrote the commission requesting mitigation of penalties (Mitigation Request).² In its Mitigation Request, TeleDias Communications, Inc. does not dispute that the violation occurred. The company states, "TeleDias filed two Annual Reports online. The first report was filed on 4/25/14. However, TeleDias was contacted and informed that the online report appeared blank. TeleDias then re-filed the Annual Report on 4/28/14; however, in the second filing, Part C. #2, regarding access to E-911 lines was not completed. TeleDias offers only resold long distance. Therefore, the answer to question Part C. #2 is Not Applicable. Another completed copy of the 2013 Annual Report is attached."

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. On February 28, 2014, Annual Report packets were mailed to all regulated telecommunication companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2014, to avoid enforcement action.

¹See attachment A for a copy of the penalty assessment sent on June 2, 2014

²See attachment B for a copy of Teledias' Mitigation Request received on July 8, 2014

³See attachment C for a copy of the incomplete report notification sent via email on April 28, 2014

On April 25, 2014, TeleDias Communications, Inc. filed a blank annual report via online filing number 432. On April 28, 2014, TeleDias Communications, Inc. filed an incomplete annual report via online filing number 443. Staff contacted the company following the second filing via email on April 28, 2014 notifying the company of the required information.³ On July 3, 2014, TeleDias responded via telephone and verbally reported no E-911 access lines due to long-distance service only. The company has been active since October 31, 2002. No previous violations of WAC 480-120-382 are on commission record. Staff supports the company's request for mitigation as this is the first delinquent filing and the company's response which confirms the missing information is not applicable to the company operation and their understanding this information must still be reported as such. Staff recommends a reduced total penalty of \$200.

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

Sincerely,

Sondra Walsh, Director
Administrative Services

¹See attachment A for a copy of the penalty assessment sent on June 2, 2014

²See attachment B for a copy of Teledias' Mitigation Request received on July 8, 2014

³See attachment C for a copy of the incomplete report notification sent via email on April 28, 2014

ATTACHMENT A

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-140919

PENALTY AMOUNT: \$1,000

Teledias Communications, Inc.
1100 California Ave., Suite 220
Reno, NV 89509

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to file their annual reports and pay regulatory fees each year by May 1. You did not file an annual report or pay regulatory fees by May 1, 2014.

Revised Code of Washington (RCW) 80.04.080 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each violation is a separate and distinct offense and, in the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 beyond May 1 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report or pay its regulatory fees after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1,000 on the following basis:

On February 28, 2014, the Commission mailed the 2013 annual report forms and the 2014 regulatory fee packets to all telecommunications companies registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports and pay regulatory fees by May 1, 2014. The instructions page also stated that failure to file the annual report by May 1 would result in penalties. The deadline for requesting an extension to file your annual report was April 17. You did not request an extension.

As of May 15, 2014, Teledias Communications, Inc. has not filed its complete 2013 annual report. May 15 is 10 business days from May 1, resulting in a total penalty of \$1,000.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the reasons supporting that request.

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Failure to provide such a statement will result in denial of the request. If there is a reason for the violation that you think should excuse or reduce the penalty, you may ask for mitigation (reduction) of this penalty through evidence presented at a hearing or in writing. A request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. See RCW80.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

You must act within 15 days after receiving this notice to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

If you do not act within 15 days, the Commission may refer this matter to the Office of the Attorney General for collection, which may file suit in state court to collect the penalty. The Commission may also initiate proceedings under WAC 480-121-060 to revoke your authority to provide telecommunications services in Washington.

DATED at Olympia, Washington, and effective June 2, 2014.

GREGORY J. KOPTA
Administrative Law Judge

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-140919

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred. I have:

Enclosed \$ _____ in payment of the penalty

Submitted my payment of \$ _____ online at www.utc.wa.gov. My confirmation number is _____.

2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons for a decision by an administrative law judge:

3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: _____ [month/day/year], at _____ [city, state]

Name of Respondent (company) – please print

Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

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ATTACHMENT B

Snyder, Jennifer (UTC)

From: Corporate <corporate@teledias.com>
Sent: Tuesday, July 08, 2014 9:13 AM
To: UTC DL Records Center
Subject: Penalty Assessment: UT-140919; TeleDias Communications
Attachments: Request for Mitigation for 2013 AR.pdf; WA 2013 Telecom Annual Report - TD.xls

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Sir or Madam,

Attached please find an Application for Mitigation, requesting a Commission decision based solely on the information I provide below.

- TeleDias filed two Annual Reports online. The first report was filed on 4/25/14. However, TeleDias was contacted and informed that the online report appeared blank.
- TeleDias then re-filed the Annual Report on 4/28/14; however, in the second filing, Part C. #2, regarding access to E-911 lines was not completed. TeleDias offers only resold long distance. Therefore, the answer to question Part C. #2 is "Not Applicable."
- Another completed copy of the 2013 Annual Report is attached.

Thank you for your consideration of this matter. If you have any questions or need further information, please do not hesitate to contact our office.

Carmen Asorey
Vice President
TeleDias Communications, Inc.
5605 Riggins Ct., Ste. 265
Reno NV 89502
Phone: 775-827-9004
Fax: 775-827-9005

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ATTACHMENT C

Andrews, Amy (UTC)

From: Andrews, Amy (UTC)
Sent: Monday, April 28, 2014 11:10 AM
To: Corporate
Cc: Andrews, Amy (UTC)
Subject: RE: Incomplete Status Notification - 2013 Annual Report for TeleDias Communications Inc

Carmen,

The report has been received. The only missing information is on Schedule 1, Part C (2). Of the 695 voice grade equivalent lines, you have not reported the number which have access to E-911.

Thank you,

Amy Andrews

Fiscal Analyst

Utilities & Transportation Commission

PO Box 47250

Olympia, WA 98504-7250

☎ 360.664.1157

☎ 360.664.1289

🌐 www.utc.wa.gov

From: Corporate [mailto:corporate@teledias.com]
Sent: Saturday, April 26, 2014 1:17 PM
To: Andrews, Amy (UTC)
Subject: RE: Incomplete Status Notification - 2013 Annual Report for TeleDias Communications Inc

Amy,

I have re-filed TeleDias' 2013 Annual Report through the online filing option on your website. For the second filing, I downloaded the Excel file from your website. The previous filing was made using the pdf file from your website. I hope that this one is in good order for processing.

Please confirm that you were able to open and read the re-filed report.

Thank you for letting us know that there was a problem with the first filing.

Carmen Asorey
TeleDias

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