



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 • TTY (360) 586-8203

July 17, 2017

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. Isofusion Communications, LLC*

Commission Staff's Response to Application for Mitigation of Penalties UT-170460

Dear Mr. King:

On June 27, 2017, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-170460 against Isofusion Communications, LLC for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunication companies to furnish annual reports, supporting documentation and the regulatory fee to the commission no later than May 1 each year.

On June 28, 2017, Isofusion Communications, LLC wrote the commission requesting mitigation of penalties. In its mitigation request, Isofusion Communications, LLC does not dispute the violation occurred. The company states, "... Attached is our 2016 Annual Report. I understand that the annual report was due on May 1st. When I was assigned this report in April, I glanced at the information and noted incorrectly, that late fees would be 2%. Since I was having some mental health problems and took time off, I put this aside and forgot about it. I just discovered it last week and have been working on it. I realize this report should have been a priority and am very sorry I forgot it. I take full responsibility for the mistake and am going to pay as much of the penalty out of my own pocket as I can. VoIP is just a small part of our business, as you can see by the income in the report, and the reports and taxing authorities related are overwhelming. We have hired another accountant to help out and I don't expect this to happen again. I'm going to pay half the assessed fee today and hope for a reduction in the penalties."

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, 2017, Annual Report packets were sent to all regulated telecommunication companies. The instructions page informs the regulated company that it must complete the annual report form and pay the regulatory fees, and return the materials by May 1, 2017, to avoid enforcement action.

The company filed an incomplete annual report on June 27, 2017 and the regulatory fee was paid on June 28. On July 7, Commission Staff sent an email to the company advising them that the annual report is still incomplete. The complete annual report is still outstanding.

The Commission will only grant mitigation if the violations occurred due to circumstances beyond the company's control. The company should have a process in place to ensure that all required filings are complete and timely, even in the event of employee termination/turnover or other employee personal events. Isofusion Communications, LLC did not illustrate that they were unable to file their annual report and pay their regulatory fee due to circumstances beyond their control. 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,



Mark L. Johnson, Director
Administrative Services