

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UT-140918
Against)	
)	ORDER 01
TELECOM NORTH AMERICA, INC.)	
)	ORDER GRANTING
in the amount of \$200)	MITIGATION TO \$50
.....)	

BACKGROUND

- 1 Washington law requires regulated telecommunications companies to file annual reports and pay regulatory fees by May 1 of each year. WAC 480-120-382. On February 28, 2014, the Washington Utilities and Transportation Commission (Commission) mailed annual report and regulatory fee forms to all regulated telecommunications companies. The forms included a reminder that companies must file their annual reports and pay their regulatory fees by May 1, 2014, or face penalties of \$100 for each violation of Commission rules. In the case of continuing violations, each day’s continuance is a separate violation. RCW 80.04.405.
- 2 Telecom North America filed its annual report on May 5, 2014, with no regulatory fee due. On June 2, the Commission assessed a penalty of \$200 against American Phone Services, calculated as \$100 per business day from May 1 to May 5, for failing to file an annual report by May 1.
- 3 On June 30, 2014, Telecom North America responded to the Commission’s penalty assessment admitting the violations and requesting mitigation of the penalty based on the written information provided. The Company explained that it inadvertently overlooked the May 1 deadline, believing the report need only be postmarked by May 1. The Company noted that it has no previous violations for late filed reports, and provided assurances of future compliance.
- 4 On July 11, 2014, Commission Staff (Staff) filed a response recommending a penalty reduction to \$25 per day, or \$50, because this is the Company’s first late filing since it registered with the Commission in 2002.

DISCUSSION

- 5 WAC 480-120-382 requires regulated telecommunications companies to file annual reports and pay regulatory fees by May 1 of each year. Companies are responsible for complying with their legal obligations, and the Company should have taken measures to ensure its annual report was received by May 1, particularly given the Commission's reminders.
- 6 The Commission nevertheless agrees with Staff's recommendation. The Commission may consider a number of factors when entertaining a mitigation request, including whether a company promptly corrected the violation at issue, a company's past compliance with commission rules, and the likelihood the violation will recur.¹ This is Telecom North America's first violation of WAC 480-120-382, and the Company promptly corrected the violation by filing its annual report prior to receiving a penalty. In addition, the Company has been regulated since 2002; given its history of compliance, the violation is not likely to recur. The Commission will therefore exercise its discretion to reduce the penalty to \$50.

ORDER

THE COMMISSION ORDERS:

- 7 (1) The request of Telecom North America, Inc. for mitigation of the \$200 penalty is **GRANTED** in part, and the penalty is reduced to \$50.
- 8 (2) The penalty is due and payable no later than August 1, 2014.

¹ Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013).

- 9 The Secretary has been delegated authority to enter this order on behalf of the Commissioners under WAC 480-07-904(1)(h).

DATED at Olympia, Washington, and effective July 18, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. As authorized in WAC 480-07-904(3), you must file any request for Commission review of this order no later than 14 days after the date the decision is posted on the Commission's website. The Commission will grant a late-filed request for review only on a showing of good cause, including a satisfactory explanation of why the person did not timely file the request. A form for late-filed requests is available on the Commission's website.