



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 19, 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. Paracom, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-170476

Dear Mr. King:

On June 27, 2017, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-170476 against Paracom, Inc. for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires competitively classified telecommunication companies to furnish annual reports, supporting documentation and the regulatory fee to the commission no later than May 1 each year.

On July 3, 2017, Paracom, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Paracom, Inc. does not dispute the violation occurred. The company states, "...For the first time in 10 years, since I have worked for Paracom, Inc., I filed my annual report late. The paperwork did not reach my desk, and all emails and correspondence from WUTC went to my boss, who is frequently out of town. Our total gross intrastate operating revenue was less than \$3,000, and this fine is \$1,000. The payphone industry has declined so drastically, that we finally removed all our payphones before the end of 2016. I am asking for leniency from the commission to reduce the amount of this fine. It was my fault that I didn't have the due date on my calendar. We've been very helpful to the WUTC and have worked with Tim Zawislak on these requests."

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 their complete annual report on June 29, 2017 and the regulatory fee was paid on June 29.

The Commission will only grant mitigation if the violations occurred due to circumstances beyond the company's control. Paracom, Inc. did not illustrate that they were unable to file their annual report and pay their regulatory fee due to circumstances beyond their control, and typically, mitigation would not be recommended. However, as the company noted, this is the first time the company filed the annual report late since 2005. In consideration of the company's long running compliance, staff recommends that the penalty be reduced to \$500.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark L. Johnson". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark L. Johnson, Director
Administrative Services