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. 365 Wireless, LLC*

 Commission Staff’s Response to Application for Mitigation of Penalties UT-160538

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a $1,000 Penalty Assessment in Docket UT-160538 against 365 Wireless, LLC 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 28, 2016, 365 Wireless, LLC wrote the commission requesting mitigation of penalties. In its mitigation request, 365 Wireless, LLC does not dispute the violation occurred. The company states, “…We are a small firm with only 5 employees and very little revenue and we utilized the services of a Compliance Firm to maintain our state filings and annuals. The Firm over looked Washington’s filing date of 5/1/2016 and once they realized the report was overdue they informed 365 and we filed without delay. Being a small firm a $1,000 fine would cripple our business.”

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 June 3, 2016, 365 Wireless, LLC filed a complete annual report and paid the regulatory fees owed.

365 Wireless, LLC became an active company in 2012 and previously filed late in 2012 and 2013. The penalties were paid in full. 365 Wireless, LLC had revenue over $6,000,000 and a net profit of over $500,000 according to the 2015 income statement. 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