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3/7/2016

Appeal USAC Decision

Kip Nield
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QWK.net Hosting, LLC
1300 S. Yellowstone Highway
Idaho Falls, ID 83402
208-522-7638

Filer ID: 830795
Proceeding/ Contributions: WC Docket 06-122

We are appealing Late Filing Sanctions totaling \$1,900.

Overview

In January, 2015 we learned that our company, QWK.net Hosting, LLC had grown the telecommunications segment of our business beyond Da Minimus status. At that point in time I began working on the filings that were required of us that changed the way we collect and pay the Federal Universal Service Fund Tax.

I spoke to a few people at USAC in January, February and March of 2015 as I was sorting out the new requirements and learning how to use the online USAC filing system. As I sorted through all the new information and started preparing the filings I received some conflicting information of what reports were due. Originally I reviewed a long list of 499A and 499Q forms covering several years that were later determined unnecessary and was eventually modified to a shorter list.

After speaking with several people, I was finally able to start working with USAC's representative Chang-hua Chen (not sure of spelling) at 202-772-5221. He was very helpful and I was able to gain more understanding of requirements and start filling out the appropriate forms with his help. My understanding of the instructions given by Chang-hua was to start with the April 2015 499A and the May 2015 499Q forms, which I filed as quickly as I could.

Several months went by and then on our 9/22/2015 USAC invoice number UBDI0000798422, we were surprised to see a line item for \$1,900 for a "Late Filing Sanction." I called USAC and was assisted by Joseph DiPeppe who was helpful in sorting out the issue through a few phone calls and emails. Mr. DiPeppe instructed us to submit the 499Q forms for November 2014 and February 2015, as quickly as possible, which we did.



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After further exploration Mr. DiPeppe explained that the Late Filing Sanctions were late fees for the missing filings for the November 2014 and February 2015 499Q forms which I did not realize needed to be submitted. When we received our first bills in July and August of 2015, nothing regarding missing filings or late fee or sanctions was mentioned. We were not informed in any way of the missing filings nor did we understand that late fees were accruing monthly.

Therefore, we are appealing the \$1,900 sanctions for late filing fees for the following reasons:

1. The transition beyond DaMinimus status takes considerable time to sort through the many instructions, collect data to file and to accurately file the forms.
2. It took USAC time to prepare and send the billing statements to us as a new direct contributor and several months passed before we began receiving statements.
3. During the accrual time, there was no notification that late sanctions were being accrued until September 22, 2016.
4. I followed the instructions from Chang-hua Chen to start with April 2015 499A and the May 2015 499Q which lead me to believe I didn't need to submit November 2014 and February 2015 499Q.

We request a credit for \$1,900 on a forthcoming USAC invoice.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kip Nield', written over a light blue circular stamp.

Kip Nield
VP Sales & Marketing
QWK.net Hosting, LLC