



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 • [www.utc.wa.gov](http://www.utc.wa.gov)

June 9, 2014

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. Blue Star Services, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties TE-141054

Dear Mr. King:

On May 23, 2014, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TE-141054 against Blue Star Services, Inc. for 10 violations of Washington Administrative Code (WAC) 480-30-071, which requires charter and excursion carriers to furnish annual reports to the commission no later than May 1 each year.<sup>1</sup>

On May 30, 2014, Blue Star Services, Inc. wrote the commission requesting mitigation of penalties (Mitigation Request).<sup>2</sup> In its Mitigation Request, Blue Star Services, Inc. does not dispute that the violation occurred. The company states, "Today we received a Notice of Penalties Incurred and Due for failure to file the 2013 Charter Excursion Annual Report. I was shocked that this was not handled by our Charter Department long before the required due date. I later learned that the report was directed to Blue Star Services, Inc. (A separate legal entity) that only operates an airport shuttle service to the Portland International Airport using passenger vans. Since the report clearly is for Charter & Excursion companies, the report was never completed. I do understand that Blue Star Charters & Tours is required to submit the Annual report since it operates a fleet of motor coaches in Washington. I have included the completed report with this letter. In addition, the actual regulatory fees for 2013 were paid in full on November 26, 2013. For as long as I can remember we have been diligent to respond on time to any request by the WUTC, including the annual report I have completed myself since 2003. I respectfully request the penalty be waived for this first time offense. Furthermore, you have my word the report will be completed long before the due date."

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on May 23, 2014

<sup>2</sup>See attachment B for a copy of Blue Star Service's Mitigation Request received on May 30, 2014

<sup>3</sup>See attachment C for a copy of Blue Star Service's application reflecting legal company name on January 9, 2003

UTC Annual Reports

June 9, 2014

Page 2

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, 2014, Annual Report packets were mailed to all regulated charter and excursion companies to the company of record.<sup>3</sup> The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2014, to avoid enforcement action.

On May 30, 2014, Blue Star Services, Inc. filed the 2013 annual report and timely paid the required regulatory fees on December 2, 2013. The company permit was issued on June 12, 2003. No previous violations of WAC 480-30-071 are on commission record. The UTC also recently adopted new rules requiring the annual report to be filed by May 1 while the regulatory fees remained due on December 31. Despite the commission communication regarding these filing changes to all regulated charter and excursion companies, commission staff supports the company's request for mitigation but not a fee waiver. Staff recommends a reduced penalty assessment of \$200.

If you have any questions regarding this recommendation, please contact Amy Andrews, Regulatory Analyst, at (360) 664-1157, or [aandrews@utc.wa.gov](mailto:aandrews@utc.wa.gov).

Sincerely,

*Kathy S. Leck on behalf of Sondra Walsh*

Sondra Walsh, Director  
Administrative Services

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<sup>1</sup>See attachment A for a copy of the penalty assessment sent on May 23, 2014

<sup>2</sup>See attachment B for a copy of Blue Star Service's Mitigation Request received on May 30, 2014

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ATTACHMENT A

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NOTICE OF PENALTIES INCURRED AND DUE  
FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: TE-141054  
PENALTY AMOUNT: \$1,000

Blue Star Services Inc.  
PO Box 56351  
Portland, OR 97238

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-30-071, which requires charter and excursion carriers to file their annual reports. You did not file an annual report by May 1, 2014.

Revised Code of Washington (RCW) 81.04.080 authorizes the Commission to assess penalties of \$100 for violations of Commission rules. Each violation is a separate and distinct offense and, in the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-30-071 beyond May 1 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1,000 on the following basis:

On February 28, 2014, the Commission mailed the 2013 annual report forms and the 2014 regulatory fee packets to all charter and excursion carriers registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports by May 1, 2014. The instructions page also stated that failure to file the annual report by May 1 would result in penalties. The deadline for requesting an extension to file your annual report was April 17. You did not request an extension.

As of May 15, 2014, Blue Star Services, Inc. has not filed its 2013 annual report. May 15 is 10 business days from May 1, resulting in a total penalty of \$1,000.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. If there is a reason for the violation that you think should excuse or reduce the penalty, you may ask for mitigation.

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<sup>1</sup>See attachment A for a copy of the penalty assessment sent on May 23, 2014

<sup>2</sup>See attachment B for a copy of Blue Star Service's Mitigation Request received on May 30, 2014

<sup>3</sup>See attachment C for a copy of Blue Star Service's application reflecting legal company name on January 9, 2003

(reduction) of this penalty through evidence presented at a hearing or in writing. A request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. See RCW 81.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

You must act within 15 days after receiving this notice to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, within **FIFTEEN (15) days** after you receive this notice.

**If you do not act within 15 days**, the Commission may refer this matter to the Office of the Attorney General for collection, which may file suit in state court to collect the penalty. The Commission may also initiate proceedings under WAC 480-30-171 to cancel your certificate to operate as a charter and excursion carrier in Washington.

DATED at Olympia, Washington, and effective May 23, 2014.

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GREGORY J. KOPTA  
Administrative Law Judge

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<sup>1</sup>See attachment A for a copy of the penalty assessment sent on May 23, 2014

<sup>2</sup>See attachment B for a copy of Blue Star Service's Mitigation Request received on May 30, 2014

<sup>3</sup>See attachment C for a copy of Blue Star Service's application reflecting legal company name on January 9, 2003

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT TE-141054

**PLEASE NOTE:** You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred. I have:

Enclosed \$ \_\_\_\_\_ in payment of the penalty

Submitted my payment of \$ \_\_\_\_\_ online at [www.utc.wa.gov](http://www.utc.wa.gov). My confirmation number is \_\_\_\_\_.

2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons, for a decision by an administrative law judge:

3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR  b) I ask for a Commission decision based solely on the information I provide above:

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: \_\_\_\_\_ [month/day/year], at \_\_\_\_\_ [city, state]

\_\_\_\_\_  
Name of Respondent (company) – please print

\_\_\_\_\_  
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

<sup>1</sup>See attachment A for a copy of the penalty assessment sent on May 23, 2014

<sup>2</sup>See attachment B for a copy of Blue Star Service’s Mitigation Request received on May 30, 2014

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ATTACHMENT B

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT TE-141054

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I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

2014 MAY 30 11:43

1. **Payment of penalty.** I admit that the violations occurred. I have:

Enclosed \$ \_\_\_\_\_ in payment of the penalty

Submitted my payment of \$ \_\_\_\_\_ online at [www.utc.wa.gov](http://www.utc.wa.gov). My confirmation number is \_\_\_\_\_.

2. **Request for a hearing.** I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons, for a decision by an administrative law judge:

3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below:

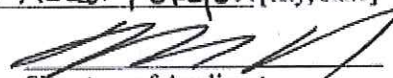
a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR  b) I ask for a Commission decision based solely on the information I provide above:

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 5/28/2014 [month/day/year], at Portland, Oregon [city, state]

Michael Bilic  
Name of Respondent (company) – please print

  
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

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**TRANSPORTATION GROUP**

P.O. Box 56351 • Portland, OR 97238  
Portland (503) 249-1837 • Vancouver (360) 573-9412 • Toll Free (800) 247-2272 • Fax (503) 493-1840  
[www.bluestarbus.com](http://www.bluestarbus.com)

May 27, 2014

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504

2014 MAY 30 PM 1:42

Hello,

Today we received a "Notice of Penalties Incurred and Due" for failure to file the 2013 Charter Excursion Annual Report<sup>1</sup>. I was shocked that this was not handled by our "Charter Department" long before the required due date. I later learned that the report was directed to Blue Star Services, Inc. (A legal separate entity) that only operates an airport shuttle service to the Portland International Airport using passenger vans. Since the report clearly is for Charter & Excursion companies, the report was never completed.

I do understand that Blue Star Charters & Tours is required to submit the Annual report since it operates a fleet of motor coaches in Washington. I have included the completed report with this letter. In addition, the actual regulatory fees for 2013 were paid in full on November 26, 2013.

For as long as I can remember we have been diligent to respond on time to any request by the WUTC, including the annual report I have completed myself since 2003.<sup>2</sup>

I respectfully request the penalty be waived for this first time offense. Furthermore, you have my word the report will be completed long before the due date.

Respectfully,

Mike Bilic

President

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<sup>3</sup>See attachment C for a copy of Blue Star Service's application reflecting legal company name on January 9, 2003

ATTACHMENT C

JAN-09-2003 12:39 PM

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P.02

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

1300 South Evergreen Park Drive SW, PO Box 47250  
 Olympia Washington 98504-7250  
 Toll Free (888) 606-9566 or 360-664-1222  
 Fax (360) 606-1181 or (360) 586-1118

CH01

**0016817**  
**APPLICATION FOR CHARTER BUS/EXCURSION SERVICE CERTIFICATE**

9/4 111 0200 232 01 : \$150.00 # 009431 CH-444

111 0200 232 01	CID	70900.30199	CIA	79128
111 0200 232 02	DATE	1-13-03	SAFETY INSP	JL
111 0200 232 03	STAMPS	JL	INS/BOND	JL
111 0200				

THIS APPLICATION IS FOR:

(Check One Only)

CHARTER BUS CERTIFICATE  EXCURSION SERVICE CERTIFICATE

NAME OF APPLICANT Blue Star Services, Inc. V009431

D/B/A Blue Star Charters & Tours

MAILING ADDRESS P.O. Box 56351  
Portland, OR 97238

PHYSICAL ADDRESS 4123 N.E. Columbia Blvd  
Portland, OR 97211

BUSINESS TELEPHONE NUMBER (503) 249-1237

FAX NUMBER (503) 493-1840

UBI # 601 280 041

E-MAIL Bilic@aol.com

IF APPLICANT IS A CORPORATION, LIST NAME, TITLES, AND PERCENTAGE OF STOCK OF PRINCIPAL SHAREHOLDERS. IF APPLICANT IS A PARTNERSHIP, LIST NAMES, ADDRESSES, AND PERCENTAGE OF INTEREST OF ALL PERSONS HAVING AN EQUITY IN THE BUSINESSES:

Michael F. Bilic President 100%

IF APPLICANT HOLDS ANY OTHER CERTIFICATE OR PERMIT WITH THE COMMISSION, LIST PERMIT NUMBERS:

EQUIPMENT LIST:

LICENSE NUMBER	YEAR AND MAKE OF VEHICLE	SERIAL NUMBER (VEHICLE IDENTIFICATION NUMBER)	SEATING CAPACITY
YAPN 058	1983 MCI	2TUAAH7A0DRA08879	47
YAPN 057	1982 MCI	2MB92MB02P037004	47
YAPR 761	1980 MCI	515287	47

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