



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 • TTY (360) 586-8203

May 25, 2018

Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, Washington 98504-7250

RE: *Washington Utilities and Transportation Commission v. Island Airporter LLC*  
Commission Staff's Response to Mitigation Request  
Docket TE-180268

Dear Mr. Johnson:

On April 27, 2018, in docket TE-180268, the commission assessed a penalty of \$14,500 against Island Airporter LLC (Island Airporter or company) for violations of WAC 480-30-221 Vehicle and Driver Safety Requirements.

On May 14, 2018, Island Airporter submitted to the commission its application for mitigation. In the application the company admitted the violations and stated that it corrected the violations immediately.

Island Airporter' mitigation request and staff's recommendation appear below.

**Violation and penalty:** One hundred forty-five violations of Title 49 CFR Part 387.31(a) – Operating a commercial motor vehicle without having in effect the required minimum levels of financial responsibility. The commission assessed a penalty at the statutory amount of \$100 for each occurrence of this violation, a total penalty of \$14,500.

**Company response:** In its mitigation request Island Airporter admits the violations and states that it immediately corrected the violation. Island Airporter had instructed its insurance company to provide coverage to “comply with all Washington UTC requirements” but failed to verify that its policy was actually in compliance. Island Airporter carried \$1,050,000 in liability coverage, not \$1,500,000 as required. The company believes there was a clerical error on the part of the insurance company.<sup>1</sup>

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<sup>1</sup> Limousine companies operating in Washington must carry \$1,050,000 in liability insurance.

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Upon learning of the violations the company made immediate corrections by contacting its insurance company and establishing the correct amount of coverage. The company also stated that the penalty amount represents approximately one-half of its annual net income and would create an extreme financial hardship.

**Staff response:** Staff confirmed that Island Airporter now has the correct levels of insurance coverage on record at the commission and appreciates the company's prompt response. Staff notes that the company has previously carried the correct amount of insurance. Ultimately, however, Island Airporter and not its insurance company is responsible for understanding and complying with the commission's safety requirements.

This was the company's fifth safety investigation and first penalty for safety violations.

It is not the commission's intention to take enforcement actions disproportionate to a company's revenues. In light of the company's overall compliance history and quick response to this notice of penalties, staff requests the commission reduce the penalty in this case from \$14,500 to \$7,000. Staff also requests the commission suspend \$5,500 of the remaining penalty for two years on the condition the company have no repeat violations and promptly pay the remaining balance of \$1,500 or enter into a mutually agreed upon payment plan. This proposal requires Island Airporter to pay an appropriate, but not overly burdensome penalty and provides a significant incentive to avoid repeat violations.

If you have any questions, please contact Mike Turcott, Compliance Investigations Supervisor, Consumer Protection, at (360) 664-1174, or by email at [mike.turcott@utc.wa.gov](mailto:mike.turcott@utc.wa.gov).

Sincerely,



Kathy Hunter  
Assistant Director, Transportation Safety