



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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May 16, 2019

Mark L. Johnson
Executive Director and Secretary
Washington 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. CY Moving Inc.*
Commission Staff's Response to Application for Mitigation of Penalties
Docket TV-190140

Dear Mr. Johnson:

On April 9, 2019, the Washington Utilities and Transportation Commission (commission) issued a penalty assessment against CY Moving Inc. (CY Moving or company) in the amount of \$10,100 for violations of Washington Administrative Code (WAC) 480-15-530, Public Liability and Property Damage Insurance, and WAC 480-15-560, Equipment Safety Requirements, which adopts Title 49 CFR Part 396 – Inspection, Repair, and Maintenance, as follows:

- **Ninety-nine violations of WAC 480-15-530 Public liability and property damage insurance.** The company operated on 99 separate occasions during which it had failed to maintain the minimum of \$750,000 in auto liability insurance.
- **One violation of Title 49 CFR Part 396.3(b) – Failing to keep minimum records of inspection and vehicle maintenance.** The company failed to maintain minimum records of inspection and repair.
- **One violation of Title 49 CFR Part 396.17(a) – Using a commercial motor vehicle not periodically inspected.** The company failed to ensure that its commercial motor vehicle was periodically inspected.

On April 24, 2019, CY Moving filed with the commission its application for mitigation of penalties. In the request for mitigation, Chaugyuan Jiang, owner of CY Moving, admitted the violations, stated he believed that the penalty should be reduced, and asked for a Commission

decision based solely on the information provided. Mr. Jiang stated that the violations were unintentional, and that due to the company's current financial situation, the most it could afford is a \$3,000 penalty with payments spread over six months.

Companies are required to submit a request for mitigation within 15 days of receiving the notice of penalties, and must provide reasons to support the request for mitigation or hearing, otherwise the commission can deny the request.

Commission staff (staff) believes the company's request for relief is warranted. Staff recommends mitigation of the penalties as follows:

- **Mitigation Request: WAC 480-15-530 Public liability and property damage insurance.** CY Moving stated that this violation occurred because the company was not aware of the requirements and believed that they had the proper insurance coverage. The company corrected this violation by raising its level of coverage to the required limit.

Staff response: It is CY Moving's responsibility to be aware of all requirements. In its application for a household goods permit, the company acknowledged its responsibility to understand and comply with applicable regulations. The company had insurance in effect, but not the required amount.

The company, however, corrected these violations and is now aware of this requirement. The assessed penalty is \$9,900 for 99 occurrences of this violation. Staff recommends the penalty be reduced to \$3,300.

- **Mitigation Request: Title 49 CFR Part 396.3(b) – Failing to keep minimum records of inspection and vehicle maintenance.** CY Moving stated that the business owner does his own maintenance and repairs and does not keep records.

Staff response: It is CY Moving's responsibility to ensure it is aware of the requirements for vehicle inspection and maintenance records. The company provided no evidence of having corrected this violation. For this reason, and because the assessed penalty is \$100 for one violation of this type, staff recommends no mitigation of this penalty.

- **Mitigation Request: Title 49 CFR Part 396.17(a) – Using a commercial motor vehicle not periodically inspected.** CY Moving stated that the business owner does his own maintenance and repairs and did not have a periodic inspection done.

Staff response: It is CY Moving's responsibility to ensure it is aware of the requirements for periodic inspections. The company provided no evidence of having corrected this violation. For this reason, and because the assessed penalty is \$100 for one violation of this type, staff recommends no mitigation of this penalty.

CY Moving is a small company with one driver and one commercial motor vehicle. The company reported \$74,597 in gross revenue for 2018.

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Staff recommends the penalty of \$10,100 be reduced to \$3,500. Staff is also sensitive to the company's financial situation and understands the impact a significant penalty has on a small business. For these reasons, staff further recommends that \$2,500 of the reduced penalty be suspended for a period of two years before being waived, on the conditions that: 1) staff conducts a follow-up safety investigation in two years or as soon thereafter as practicable to review the company's safety management practices, 2) the company not incur any repeat critical violations, and 3) CY Moving pays the \$1,000 portion of the penalty that is not suspended.

If you have any questions, please contact Brian Braun, Compliance Investigator, Consumer Protection, at (360) 664-1129, or by email at brian.braun@utc.wa.gov.

Sincerely,



Bridgit Feeser
Assistant Director, Consumer Protection