

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment Against	DOCKET TE-160702
H.I.S. INTERNATIONAL TOURS (NY), INC.	ORDER 01
in the amount of \$1,000	ORDER GRANTING MITIGATION TO \$500

BACKGROUND

- 1 On February 29, 2016, the Washington Utilities and Transportation Commission (Commission) mailed annual report and regulatory fee forms to all charter and excursion carriers. The forms included a reminder that companies must file their annual reports and pay their regulatory fees by Monday, May 2, 2016, or face penalties of \$100 for each violation of Commission rules. In the case of continuing violations, each day's continuance is a separate violation. RCW 80.04.405.
- 2 H.I.S. International Tours (NY), Inc. (H.I.S. International or Company) did not file an annual report on May 2, 2016, and had not made that filing by May 16. On June 21, the Commission assessed a penalty of \$1,000 against H.I.S. International, calculated as \$100 per business day from May 2 to May 16.
- 3 On July 11, 2016, H.I.S. International filed a complete annual report and paid the required regulatory fee. That same day, H.I.S. International responded to the Commission's penalty assessment, admitting the violations and requesting mitigation based on the written information provided. In its response, the Company states, "I apologize for not filing an annual report by May 2, 2016. Unfortunately the Seattle branch manager left the office suddenly for family reasons. Due to this, the office was in the midst of a transition. Our main office is located in Los Angeles and General Affairs Manager ordered the Seattle Manager to file the annual report; however, this procedure was not complete. To ensure that this does not happen again, we will make sure that succession of affairs will proceed well within our employees and bring attention to crucial deadlines."

- 4 On July 25, 2016, Commission staff (Staff) filed a response recommending the Commission assess a reduced penalty of \$50 per day, or \$500. Although the Company received and paid a penalty of \$200 in 2014 for violations of WAC 480-30-071, Staff supports partial mitigation of the penalty because the Company introduced new information about its personnel changes.

DISCUSSION

- 5 WAC 480-30-071 requires charter and excursion carriers to file annual reports by May 1 of each year, or the first business day thereafter. Companies are responsible for complying with their legal obligations, and the Company should have ensured its report was timely filed, despite any personnel changes.
- 6 The Commission will nevertheless exercise its discretion to assess a reduced penalty of \$500 due to the circumstances presented here. The Commission may consider a number of factors when entertaining a request for mitigation, including whether the violation was promptly corrected, a company's history of compliance, and the likelihood the violation will recur.¹ Although H.I.S. International received and paid a \$200 penalty for violations of WAC 480-30-071 in 2014, the Company has corrected the violations at issue here by filing its annual report and paying the required regulatory fee. Moreover, the Company introduced new information about unexpected personnel changes that interfered with its ability to file its annual report by the deadline. In light of these factors, we believe a reduced penalty of \$500 – which is still greater than the previous penalty – is appropriate.

ORDER

THE COMMISSION ORDERS:

- 7 (1) H.I.S. International Tours (NY), Inc.'s request for mitigation of the \$1,000 penalty is GRANTED in part, and the penalty is reduced to \$500.
- 8 (2) The \$500 penalty is due and payable no later than August 29, 2016.

¹ Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013).

- 9 The Secretary has been delegated authority to enter this order on behalf of the Commissioners under WAC 480-07-904(1)(h).

DATED at Olympia, Washington, and effective August 15, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. As authorized in WAC 480-07-904(3), you must file any request for Commission review of this order no later than 14 days after the date the decision is posted on the Commission's website.