

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Determining the Proper  
Carrier Classification of, and Complaint  
for Penalties Against

DOCKET TE-190822

ORDER 02

NICK ALEXANDER KONOPIK,  
D/B/A NICHOLAS KONOPIK AND  
KRAKEN TOURS, LLC

STIPULATED INITIAL ORDER  
CLASSIFYING RESPONDENT AS  
CHARTER PARTY OR EXCURSION  
SERVICE CARRIER; ORDERING  
RESPONDENT TO CEASE AND  
DESIST; IMPOSING AND SUSPENDING  
PENALTIES ON CONDITION OF  
FUTURE COMPLIANCE

**BACKGROUND**

**Synopsis.** *This is an Administrative Law Judge's Initial Order that is not effective unless approved or allowed to become effective as described in the notice at the end of this Order. This Initial Order is based upon a stipulation presented by the parties. If this Initial Order becomes final, Nick Alexander Konopik, d/b/a Nicholas Konopik and Kraken Tours, LLC, (Kraken Tours or Company) will be assessed a financial penalty in the amount of \$10,000 for two (2) violations of RCW 81.70.220(1). A \$9,500 portion of the penalty will be suspended for a period of two years from the date of this order, then waived, subject to the condition that Kraken Tours refrains from further operations as a charter party or excursion service carrier without first obtaining the required certificate from the Washington Utilities and Transportation Commission (Commission). In addition, if this Initial Order becomes final, Kraken Tours will be classified as a charter party or excursion service carrier and required to permanently cease and desist from operating as a charter party or excursion service carrier without first obtaining a certificate from the Commission.*

1 **Nature of Proceeding.** The Commission initiated this special proceeding to determine if Kraken Tours has engaged, and continues to engage, in unlawful operations as a charter party or excursion service carrier without the required certificate.

2 **Procedural History.** On October 24, 2019, the Commission entered Order 01, Order Instituting Special Proceeding; Complaint Seeking to Impose Penalties; and Notice of Mandatory Appearance at Hearing, pursuant to RCW 81.04.510, initiating this docket on its own motion. The Complaint alleges that Kraken Tours violated RCW 81.70.220 by:

- (1) offering on at least one occasion to provide charter party or excursion service in the state of Washington, and
- (2) advertising charter party or excursion services within the state of Washington on at least one occasion

without the required certificate for such operations. On the same date, the Commission issued a *Subpoena and Subpoena Duces Tecum For Production of Documents* (Subpoenas) to the Company commanding Nicholas Konopik, owner of Kraken Tours, to appear before the Commission at a special proceeding scheduled to convene at 9 a.m. on December 10, 2019, in the Commission's Richard Hemstad Hearing Room at 621 Woodland Square Loop SE, Lacey, Washington, and to bring the documents specified in the *Subpoenas*.

3 **Hearing.** On December 10, 2019, the hearing convened as scheduled in Lacey, Washington, before Administrative Law Judge Rayne Pearson.

4 **Appearances.** Michael Dotson, Compliance Investigator, Lacey, Washington, represents the Commission's regulatory staff (Commission Staff).<sup>1</sup> Nicholas Konopik, Oak Harbor, Washington, represents the Company, *pro se*.

#### DISCUSSION

5 **Applicable Law.** RCW 81.70.020(1) defines "charter party carrier" as:

every person engaged in the transportation over any public highways in this state of a group of persons, who, pursuant to a common purpose and under a single contract, acquire the use of a motor vehicle to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the chartered group after leaving the place of origin.

6 RCW 81.70.020(5) defines "excursion service carrier" as:

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<sup>1</sup> In adjudications the Commission's regulatory staff participates like any other party, while an administrative law judge or the Commissioners make the decision. To assure fairness, the Commissioners and the presiding administrative law judge do not discuss the merits of the proceeding with regulatory staff or any other party without giving notice and opportunity for all parties to participate. See RCW 34.05.455.

every person engaged in the transportation of persons for compensation over any public highway in this state from points of origin within the incorporated limits of any city or town or area, to any other location within the state of Washington and returning to that origin.

7 RCW 81.70.220(1) defines “engage in the business of a charter party carrier or excursion service carrier” as:

advertising or soliciting, offering, or entering into an agreement to provide such service.

8 RCW 81.70.220(1) prohibits charter party or excursion service carriers from conducting any operations without first having obtained a certificate from the Commission. Upon proof of unauthorized operations, RCW 81.04.510 authorizes the Commission to order the unpermitted company to cease and desist its activities. Additionally, RCW 81.04.110 authorizes the Commission to file a complaint on its own motion setting forth any act or omission by a company that violates any law, order, or rule of the Commission.

9 RCW 81.70.220(2) subjects persons who conduct operations as a charter party or excursion service carrier of passengers in violation of RCW 81.70.220(1) a penalty of up to \$5,000 for each violation.

10 **Stipulation Presented by Parties.** At hearing, Nicholas Konopik agreed that Kraken Tours has conducted operations in the state of Washington without the required certificate. The Company offered to provide charter party or excursion service carrier service on at least one occasion in the state of Washington and also advertised to operate as a charter party or excursion service carrier service in the state of Washington on at least one occasion.

11 Kraken Tours has agreed to permanently shut down and cease operations as a charter party or excursion service carrier, as defined by RCW 81.70.020, without first obtaining a certificate from the Commission.

12 Under RCW 81.70.220(2), Commission Staff is authorized to seek a penalty of up to \$10,000 against the Company. Based upon the above-noted stipulation, Staff now seeks to have \$9,500 of the penalty suspended for two years, then waived, on the condition that the Company honors its pledge of future compliance by permanently staying out of the industry without first obtaining a certificate from the Commission.

- 13 The parties agree that the Company's expressed willingness to cease its unlawful operations is a positive factor, mitigating in favor of a lowered penalty amount to be paid now. The parties also agree that the Company's compliance history is a negative factor, making a penalty appropriate as a tool to ensure Kraken Tours does not re-enter the charter party or excursion service carrier business without first obtaining the required certificate.

### FINDINGS AND CONCLUSIONS

- 14 (1) The Commission is an agency of the state of Washington vested by statute with authority to regulate persons conducting operations as a charter party or excursion service carrier for compensation over public roads in Washington.
- 15 (2) The Commission has jurisdiction over the subject matter of this proceeding and over Kraken Tours.
- 16 (3) On at least one occasion, Kraken Tours offered to conduct operations without the required certificate from the Commission in violation of RCW 81.70.220(1).
- 17 (4) On at least one occasion, Kraken Tours advertised to conduct operations without the required certificate from the Commission in violation of RCW 81.70.220(1).

### ORDER

#### THE COMMISSION ORDERS:

- 18 (1) Nick Alexander Konopik, d/b/a Nicholas Konopik and Kraken Tours, LLC, is classified as a charter party or excursion service carrier within the state of Washington.
- 19 (2) Nick Alexander Konopik, d/b/a Nicholas Konopik and Kraken Tours, LLC, is ordered to immediately cease and desist operations as a charter party or excursion service carrier within the state of Washington without first obtaining a certificate from the Commission.
- 20 (3) Nick Alexander Konopik, d/b/a Nicholas Konopik and Kraken Tours, LLC, is assessed a penalty of \$10,000. \$9,500 of the penalty is suspended for a period of two years from the date of this Order, and waived thereafter, provided Kraken Tours refrains permanently from further operations as a charter party or excursion service carrier in the state of Washington without first obtaining the required

certificate from the Commission. The remainder of the penalty, \$500, is due and payable subject to the payment schedule in Appendix A.

- 21 (4) The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

DATED at Lacey, Washington, and effective December 10, 2019.

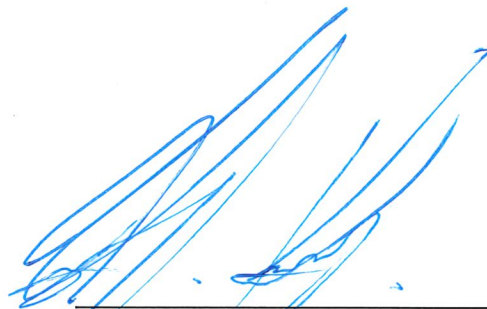


RAYNE PEARSON  
Administrative Law Judge

**Agreed for Entry:**



Michael Dotson  
Utilities and Transportation  
Commission



Nicholas Konopik  
Kraken Tours, LLC

**Appendix A**

<b>Due Date</b>	<b>Amount</b>
January 15, 2020	\$250
February 17, 2020	\$250

*If a payment is missed, the entire amount of the penalty, including the suspended portion of \$9,500, will become due and payable the day after the missed penalty was due.*

**NOTICE TO THE PARTIES**

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order and you would like the Order to become final before the time limits expire, you may send a letter to the Commission waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this initial order to file a petition for administrative review (Petition). Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file a response to a Petition within 10 days after service of the Petition.

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable with due diligence at the time of hearing, or for other good and sufficient cause. The Commission will give other parties in the proceeding an opportunity to respond to a motion to reopen the record, unless the Commission determines that it can rule on the motion without hearing from the other parties.

WAC 480-07-825(1) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5).