Docket No. TV-220509 - Vol. I

In the Matter of the Investigation of JFS Transport, Inc.

August 12, 2022



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BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE DOCKET TV-220509 INVESTIGATION OF JFS TRANSPORT, INC., FOR COMPLIANCE WITH WAC 480-15-480, WAC 480-15-550, WAC 480-15-560, and WAC 480-15-570

VIDEOCONFERENCE BRIEF ADJUDICATIVE PROCEEDING BEFORE ADMINISTRATIVE LAW JUDGE

RAYNE PEARSON

Volume I

Pages 1 - 29

August 12, 2022

9:30 a.m.

REPORTED BY: CRYSTAL R. McAULIFFE, RPR, CCR, #2121

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1	OLYMPIA, WASHINGTON; AUGUST 12, 2022
2	9:30 a.m.
3	-000-
4	
5	JUDGE PEARSON: So let's be on the record.
6	Good morning. This is Docket TV-220509,
7	which is captioned: In the Matter of the Investigation
8	of JFS Transport, Inc., doing business as Coast Movers,
9	for compliance with Washington Administrative Code
10	480-15.
11	My name is Rayne Pearson. I use she/her
12	pronouns, and I'm the Administrative Law Judge presiding
13	over today's Brief Adjudicative Proceeding.
14	Today is Friday, August 12th, 2022, and the
15	time is approximately 9:33 a.m.
16	I don't see anyone present on behalf of the
17	company.
18	But Mr. Fukano, let's go ahead and enter
19	Staff's appearance and then we'll discuss how we're
20	going to proceed.
21	MR. FUKANO: Good morning, Judge Pearson.
22	Harry Fukano appearing on behalf of Commission Staff.
23	JUDGE PEARSON: Okay. Thank you.
24	And before we came on the record, we
25	discussed briefly that there has not been any

- 1 communication from the company.
- 2 So what I propose we do is take a recess
- 3 until 9:45 or until the company appears, whichever
- 4 occurs sooner. And during that recess, if Staff could
- 5 attempt to call the company and see if they plan to
- 6 appear today, that would be great.
- 7 And if you do hear from the company, please
- 8 send me a message via Teams. Otherwise, we will be in
- 9 recess until 9:45 or until we see the company appear on
- 10 the line.
- 11 And if the company does not make an
- 12 appearance, Mr. Fukano, I will entertain a motion for
- 13 default at 9:45.
- 14 And we are now in recess.
- 15 MR. FUKANO: Thank you, Judge.
- 16 (A break was taken from
- 9:34 a.m. to 9:45 a.m.)
- 18 JUDGE PEARSON: Let's be back on the record
- 19 following a brief recess.
- 20 The time is now 9:45 a.m. The Staff
- 21 attempted to contact the company, but did not -- was
- 22 unable to contact the company.
- 23 So at this time, I will entertain a motion
- 24 for default.
- 25 Mr. Fukano, if you want to walk through

- 1 Staff's evidence, including how service was accomplished
- on the company, whenever you're ready.
- 3 MR. FUKANO: Yes, Judge Pearson.
- 4 And I just wanted to clarify for the record
- 5 that Staff did receive a -- was able to contact the
- 6 company's receptionist, but the company owner,
- 7 Mr. Sheridan, was not available. And so Staff has no
- 8 indication at this point that the company is intending
- 9 to attend the hearing this morning.
- 10 And one moment -- would it be appropriate
- just to take a brief three-minute recess so I can pull
- 12 up some documents related to the service in this case?
- 13 JUDGE PEARSON: Absolutely.
- I'm going to go ahead and give the summary
- 15 while we're on the record, if you want to start doing
- 16 that, Mr. Fukano. And then we'll take a brief recess
- once I've summarized the case, so that we're ready to
- 18 jump right into it.
- 19 MR. FUKANO: Certainly.
- JUDGE PEARSON: Okay. So on July 21, 2022,
- 21 the Commission served a Notice of Intent to Cancel and
- 22 Notice of Brief Adjudicative Proceeding setting time for
- 23 oral statements.
- 24 The Commission issued the Notice of Intent
- 25 to Cancel following a compliance review conducted by

- 1 Commission Staff and completed in June 2022, which
- 2 resulted in a proposed unsatisfactory safety rating for
- 3 JFS Transport.
- 4 The company had until August 5th, 2022, to
- 5 file a proposed Safety Management Plan, which it has not
- 6 done.
- 7 There was also a penalty assessment in the
- 8 amount of \$2,500 that was issued on July 25th, 2022, in
- 9 the same docket. And the company did not file an
- 10 application for mitigation of the penalty.
- 11 So with that, Mr. Fukano, we can just take a
- 12 brief break until you are ready to proceed.
- 13 MR. FUKANO: Thank you, Judge.
- JUDGE PEARSON: All right. We will be in
- 15 recess.
- 16 (A break was taken from
- 9:47 a.m. to 9:50 a.m.)
- 18 JUDGE PEARSON: Mr. Fukano is ready, so
- 19 let's be back on the record.
- MR. FUKANO: Thank you, Judge.
- 21 Assistant Attorney General Harry Fukano
- 22 appearing on behalf of Staff.
- Staff, in light of the -- the failure of the
- 24 company to appear, would like to make a motion for a
- default judgment, pursuant to RCW 34.05.440 and WAC

- 1 480-07-450.
- 2 Staff further requests that the hearing
- 3 proceed in order to develop the record in this case.
- 4 JUDGE PEARSON: Okay. Thank you.
- 5 Mr. Fukano, that motion is granted, and you
- 6 may proceed.
- 7 MR. FUKANO: Thank you, Judge.
- 8 Turning first to the issue of the service of
- 9 the company.
- 10 Staff asks that the Commission take official
- 11 notice of several documents on file with the Commission
- pursuant to WAC 480-07-495. Specifically, Staff
- 13 requests that the Commission take notice of the service
- of the initial Notice of Intent to Cancel, which was
- 15 served on July 21st, 2022.
- 16 The Notice of Intent to Cancel includes a
- 17 proof of service that lists the service to the company,
- 18 JFS Transport, Incorporated, at JFSMoving@Yahoo.com.
- 19 Staff further requests that the Commission
- 20 take judicial notice of the fact that that, that
- 21 JFSMoving@Yahoo.com is the company's
- 22 Commission-registered contact email address.
- 23 Finally, Staff requests that the Commission
- 24 take judicial notice of a subsequent notice re-setting
- 25 the hearing date for today, August 12th, 2022, at 9:30,

Docket No. TV-220509 - Vol. I - 8/12/2022 Page 9 sent to the company at -- on July 25th, 2022, also sent 1 2. to JFSMoving@Yahoo.com. 3 All of these documents just referenced are on file in this docket with the Commission. 4 With that, Staff would like to call 5 6 Investigator Francine Gagne to the stand. JUDGE PEARSON: Ms. Gagne, if you could turn 8 on your camera. 9 THE WITNESS: I believe so, one moment, 10 Judge. 11 Why is it not working? There we go. 12 Okay, I'm here. Hello. Good morning. 13 JUDGE PEARSON: Good morning. 14 If you could please raise your right hand, I will swear you in. 15 16 witness herein, having been first FRANCINE GAGNE, 17 duly sworn on oath, was examined and testified as follows: 18 19 20 THE WITNESS: I do.

JUDGE PEARSON: Okay. Mr. Fukano, you may

22 proceed.

DIRECT EXAMINATION

24 BY MR. FUKANO:

Q. Will you please state your name and spell your

- 1 last name for the record?
- 2 A. My name is Francine Gagne. Last name G-a-g-n-e.
- 3 Q. And what is your current position with the
- 4 Commission?
- 5 A. I'm currently an investigator with Motor Carrier
- 6 Safety.
- Q. What are your responsibilities in that position?
- 8 A. Primarily it is to conduct safety compliance
- 9 investigations on our regulated carriers.
- 10 Q. What kind of training have you received for your
- 11 role as an investigator?
- 12 A. I had to attend and pass multiple classes
- offered by the Federal Motor Carrier Safety
- 14 Administration, FMCSA.
- 15 Q. How long have you been in your current position?
- 16 A. I was hired to the Commission to this position
- 17 in June of 2014.
- 18 Q. I'd now like to ask some questions about the
- 19 matter at issue in today's hearing.
- 20 Are you familiar with JFS Transport,
- 21 Incorporated?
- 22 A. I am.
- 23 Q. How did you become aware of the present matter
- involving JFS Transport?
- 25 A. I was assigned to conduct their compliance

- 1 investigation.
- Q. I am directing you to what has been previously
- 3 labeled as proposed Exhibit FG-1.
- 4 What is this exhibit?
- 5 A. This is a copy of what we call the CAPRI's
- 6 report. It is an end-of-investigation report with the
- 7 findings.
- 8 Q. Did you complete this report?
- 9 A. I did.
- 10 Q. What is the review date associated with this
- 11 report?
- 12 A. June 29th.
- 13 Q. What does this report document?
- 14 A. The report documents the violations of
- applicable WACs or RCWs or CFRs as that applies to the
- 16 company.
- 17 Q. Do you have any changes to make to this report?
- 18 A. I do not.
- 19 MR. FUKANO: At this time I move to admit
- 20 proposed Exhibit FG-1 into evidence.
- 21 JUDGE PEARSON: Thank you. That exhibit is
- 22 admitted.
- 23 (Exhibit FG-1 was admitted.)
- 24 BY MR. FUKANO:
- 25 Q. Inspector Gagne, did you find any violations

- 1 during your investigation?
- 2 A. I did.
- 3 Q. How many violation types did you find?
- 4 A. There was 13 different types of violations.
- 5 Q. Of those 13 types, were any acute or critical?
- 6 A. Two of them were acute; four were critical.
- 7 O. What regulation was the first acute violation
- 8 related to?
- 9 A. The first acute violation was attributed to the
- 10 primary WAC 480-15-550.
- 11 Q. And what does this WAC pertain to?
- 12 A. The WAC pertains to the company's ability to
- obtain and maintain proper levels of cargo insurance.
- 14 Q. How many violations of this WAC did you find?
- 15 A. One.
- 16 O. Does that WAC have a CFR or Code of Federal
- 17 Regulation equivalent?
- 18 A. It does.
- 19 O. What is that?
- 20 A. 387.7(a).
- 21 Q. What regulation was the second acute violation
- 22 related to?
- 23 A. The primary, as listed on the report, is
- 387.7(a); secondary is a WAC of 480-15-530.
- 25 Q. What violation -- what does this violation

- 1 pertain to?
- 2 A. This pertains to the company being able to
- 3 obtain and maintain liability insurance.
- 4 Q. How many violations of this CFR did you find?
- 5 A. One.
- 6 O. Moving to the critical violations. What
- 7 regulation was the first critical violation related to?
- 8 A. CFR 391.45(a).
- 9 Q. What does this violation pertain to?
- 10 A. The company using a driver not medically
- 11 examined and certified.
- 12 Q. And how many violations of this regulation did
- 13 you find?
- 14 A. Two.
- 15 Q. What regulation was the second critical
- 16 violation related to?
- 17 A. 391.51(a).
- 18 Q. What does this regulation pertain to?
- 19 A. Failing to maintain driver qualification files
- 20 on each driver employed.
- 21 Q. How many violations of this regulation did you
- 22 find?
- 23 A. Two.
- Q. What regulation was the third critical violation
- 25 related to?

- 1 A. It was related to WAC 480-15-555.
- 2 O. What does this WAC pertain to?
- 3 A. Obtaining or retaining paperwork concerning
- 4 criminal background checks before hiring individuals
- 5 that work for the company.
- O. Does that WAC have a CFR equivalent?
- 7 A. It does.
- 8 Q. And what is that equivalent?
- 9 A. 392.2.
- 10 Q. How many violations of this WAC did you find?
- 11 A. Seventeen.
- 12 Q. What regulation was the fourth critical
- 13 violation related to?
- 14 A. 395.8(a)(1).
- 15 Q. And what does this -- this regulation pertain
- 16 to?
- 17 A. Failing to require drivers to prepare records of
- 18 duty status or hours of services.
- 19 Q. How many violations of this regulation did you
- 20 find?
- 21 A. Forty-six.
- 22 O. You labeled these violations as "acute" or
- 23 "critical."
- What does the term "acute" mean in this context?
- 25 A. One moment, I'm looking at my notes.

- 1 "Acute violations" are defined as those where
- 2 noncompliance is so severe that they require immediate
- 3 corrective action by a motor carrier regardless of its
- 4 overall safety position, such as one-time occurrences.
- 5 O. And what is --
- 6 A. I'm sorry.
- 7 Q. I interrupted. Please go ahead.
- 8 A. "Critical violations" are those which relate
- 9 directly to the motor carrier's management and/or
- 10 operational controls and are indicative of breakdowns in
- 11 a motor carrier's management controls, such as a pattern
- 12 of violations.
- 13 Q. I'm directing you to what has been labeled as
- 14 proposed Exhibit FG-2.
- What is this exhibit?
- 16 A. This is a copy of what we call an "Aspen
- 17 Report." It's the Vehicle Inspection Report.
- 18 Q. What is the date associated with this report?
- 19 A. The 25th of May, 2022.
- 20 O. Are you familiar with this report?
- 21 A. Yes.
- 22 Q. Did you repair this report?
- 23 A. I did.
- Q. Do you have any changes to make to this report?
- 25 A. I do not.

- 1 MR. FUKANO: At this time I move to admit
- 2 proposed Exhibit FG-2 into evidence.
- JUDGE PEARSON: And that motion is granted.
- 4 (Exhibit FG-2 was admitted.)
- 5 BY MR. FUKANO:
- 6 Q. Does that Aspen Report report any additional
- 7 violations against JFS Transport?
- 8 A. It does.
- 9 Q. How many types of violations does this report
- 10 reflect?
- 11 A. Five.
- 12 Q. Are any of those violations acute or critical?
- 13 A. No.
- Q. Did your investigation result in a proposed
- 15 safety rating?
- 16 A. It did.
- 17 O. What was that rating?
- 18 A. Unsatisfactory.
- 19 Q. How were the results of your investigation
- 20 communicated to JFS Transport?
- 21 A. I personally sat down and met with Mr. Sheridan
- 22 on June 29th and went over the report and also gave him
- 23 technical assistance, materials, and information on how
- 24 to complete a Safety Management Plan.
- Q. And to confirm, who is Mr. Sheridan?

Page 17 He is the owner of JFS Transport. 1 Α. 2. MR. FUKANO: Thank you. 3 No further questions of this witness. 4 JUDGE PEARSON: Okay. Thank you. 5 Anything further, Mr. Fukano? MR. FUKANO: Staff would also like to call 6 Assistant Director Mathew Perkinson to the stand. 8 JUDGE PEARSON: Okay. 9 Good morning, Mr. Perkinson. 10 THE WITNESS: Good morning. 11 JUDGE PEARSON: If you could please raise your right hand, I will swear you in. 12 13 witness herein, having been first 14 MATHEW PERKINSON, duly sworn on oath, was examined 15 16 and testified as follows: 17 18 THE WITNESS: I do. 19 JUDGE PEARSON: Okay. Thank you. Go ahead, Mr. Fukano. 20 DIRECT EXAMINATION 21 22 BY MR. FUKANO: 23 0. Would you, please, state your name and spell your last name for the record? 24 25 Α. It's Mathew Perkinson, P-e-r-k-i-n-s-o-n.

- 1 Q. What is your current position with the
- 2 Commission?
- 3 A. Assistant Director.
- 4 Q. What are your responsibilities in that position?
- 5 A. I make final recommendations to the Commission
- 6 on motor carrier safety investigations that result in
- 7 penalty assessments from motor carrier safety
- 8 violations, and I also make sure that the work is done
- 9 consistent with the Commission's enforcement policies.
- 10 Q. What kind of training or experience do you have
- 11 related to your role?
- 12 A. I was formerly the supervisor of the Motor
- 13 Carrier Safety Program and certified, similar to
- 14 Investigator Gagne through CVSA to perform safety
- 15 investigations and inspect commercial motor vehicles.
- 16 Q. How long have you been in your current position?
- 17 A. I've been with the Agency since about 2011 and
- in my current role for about three years.
- 19 Q. I would like to turn to the matter involving JFS
- 20 Transport. Are you familiar with the matter involving
- 21 JFS Transport?
- 22 A. Yes.
- Q. How did you become familiar with it?
- 24 A. I reviewed the investigation report in my role
- 25 as Assistant Director.

- 1 Q. And to clarify. Is that the same report that
- 2 has been previously admitted as FG-1?
- 3 A. Yes.
- 4 Q. Do you agree with Inspector Gagne's findings
- 5 reflected in the report?
- 6 A. I do. Investigator Gagne is one of our most
- 7 senior investigators, and she maintains dual Federal and
- 8 State certifications to perform this work.
- 9 Q. Do you also agree with the proposed safety
- 10 rating for JFS Transport contained in that report?
- 11 A. Yes. The safety ratings are calculated based on
- 12 a combination of acute and critical violations, as well
- as accidents, using a pre-determined formula in a
- 14 database, our system called CAPRI.
- 15 O. Have you also received the Vehicle Inspection
- 16 Report previously admitted as FG-2?
- 17 A. I have.
- 18 Q. I'd like to ask some questions about JFS
- 19 Transport's Commission operating authority.
- 20 What type of -- what type of operating authority
- 21 does JFS Transport have from the Commission?
- 22 A. JFS has provisional operating authority with the
- 23 Commission.
- 24 O. What is the significance of provisional
- 25 operating authority?

- 1 A. The provisional operating authority serves
- 2 essentially as a probation period for companies, for
- 3 household goods companies, specifically, to demonstrate
- 4 their ability to operate safely for an 18-month period
- 5 of time.
- 6 Q. Does a household goods company require
- 7 provisional operating authority in order to gain
- 8 permanent operating authority?
- 9 A. Yes, it does.
- 10 Q. Do the Commission's rules require a provisional
- 11 company to achieve a specific safety rating in order to
- 12 be granted permanent operating authority?
- 13 A. Yes.
- 14 Q. What is the required safety rating?
- 15 A. Satisfactory.
- 16 Q. What happens if a provisional company fails to
- 17 satisfy the criteria for permanent operating authority?
- 18 A. Commission Staff can recommend that the
- 19 Commission cancel the company's operating authority.
- 20 O. Has JFS Transport demonstrated good cause to
- 21 extend its provisional period?
- 22 A. It has not.
- Q. Can you please explain?
- 24 A. The company has had opportunities to submit
- 25 safety management plans up 'til now. It has not done

- 1 that. Which would typically be showing good cause for
- 2 the -- the company's working with Staff, essentially to
- 3 allow for additional time for the company to complete
- 4 its safety management plan. It hasn't communicated that
- 5 to us at all.
- Q. When must the company submit an acceptable
- 7 safety management plan to avoid cancellation of the
- 8 Commission's rules in this case?
- 9 A. The company is required to submit by
- 10 August 26th.
- 11 Q. And when would the company's authority be
- 12 canceled pursuant to Commission's rules, assuming it
- 13 does not?
- 14 A. August 29th.
- 15 Q. I'd like to ask some questions regarding the
- 16 Company's penalty assessment in this docket.
- 17 Are you familiar with the penalty assessment
- issued to the company in this docket?
- 19 A. Yes.
- 20 O. What is the amount of penalty sought by that
- 21 penalty assessment?
- 22 A. \$2,500.
- Q. Has Staff received any request for mitigation
- 24 from the company regarding that penalty assessment?
- 25 A. No.

- 1 Q. I'd like to now ask some questions about Staff's
- 2 recommendations in this case.
- 3 Does Staff have a recommendation to the
- 4 Commission as to the company's operating authority?
- A. Yes.
- 6 O. What is that recommendation?
- 7 A. The company still has time after this hearing to
- 8 submit a Safety Management Plan and then get that
- 9 approved.
- The Commission, as I stated previously, has
- 11 given JFS opportunities already to provide evidence of
- 12 corrective action, and it so far has not done or taken
- any kind of accountability for the violations that were
- 14 discovered.
- 15 So should the company fail to submit an
- 16 acceptable Safety Management Plan by the deadline
- 17 previously identified, then Staff would recommend that
- 18 the Commission cancel the company's operating authority.
- 19 Q. As to the penalty assessment, if the Commission
- does cancel the company's operating authority, what is
- 21 Staff's recommendation regarding the penalty assessment?
- 22 A. Yes. If the Commission cancels the company's
- 23 provisional authority, Staff would recommend that the
- 24 Commission suspend the entire amount for a period of two
- 25 years from the effective date of the initial order and

- 1 require the company to pay if it attempts to reinstate
- or if the Commission Staff, its investigative Staff
- 3 determines that the company is operating without the
- 4 required operating authority.
- 5 And just -- you know, for the record, this would
- 6 mean that if Staff finds the company's operating without
- 7 the required authority, Staff would pursue
- 8 classification, new penalties, and then ultimately
- 9 recommendation to impose the suspended penalties.
- 10 Q. And if the Commission does not cancel the
- 11 company's operating authority, does Staff have a
- 12 different recommendation regarding the penalty
- 13 assessment?
- 14 A. Yeah. If between the hearing today and the
- deadline to submit the Safety Management Plan the
- 16 company successfully submits a plan and Staff accepts
- it, Staff would support suspending one-half of the
- 18 penalty based on future compliance.
- 19 And then that -- second, other half of the
- 20 suspended penalty would be triggered or imposed if there
- 21 were repeat acute or critical violations discovered at a
- 22 later investigation.
- 23 O. And in that event, would Staff be open to a
- 24 payment plan for the imposed portion of that penalty?
- 25 A. Of course, yes.

- 1 Q. Thank you.
- 2 MR. FUKANO: No further questions of this
- 3 witness.
- JUDGE PEARSON: Okay. Thank you.
- 5 And just to clarify, Mr. Fukano, Staff did
- 6 move for default. And if I issue an order, I will issue
- 7 an order reflecting that I have granted that motion for
- 8 default.
- 9 The company has ten days to request that the
- 10 motion for default be vacated and would have to first
- 11 take that step before asking Staff to review its Safety
- 12 Management Plan. So I just want to clarify that.
- 13 Is that your understanding?
- MR. FUKANO: Yes, Judge. I believe that's
- 15 correct.
- JUDGE PEARSON: Okay. And that ten days
- 17 will likely expire prior to August 29th, which would be
- 18 the date that the company would be canceled.
- 19 But this -- this order will be upholding
- 20 Staff's recommendation in canceling the company's
- 21 permits. So the company will have to take affirmative
- 22 steps to request that the Commission vacate that default
- 23 order and allow it another chance to present its Safety
- 24 Management Plan.
- MR. FUKANO: Understood.

- 1 And I did have one further update for the
- 2 Commission.
- 3 Staff a few moments ago received an email
- 4 from the company stating that it was -- it had an
- 5 emergency occur this morning and requesting a
- 6 reschedule, without further detail -- or without further
- 7 comment.
- JUDGE PEARSON: Okay. How does Staff feel
- 9 about that?
- 10 I'm open to it. It would be less process
- 11 and less work for us, if the company does want to -- and
- 12 seeing that Staff's ultimate goal is likely bringing the
- company into compliance. I'm willing to reschedule the
- 14 hearing if Staff is willing to reschedule the hearing.
- MR. FUKANO: Could I just have a brief --
- 16 well, unless Staff, you -- you know how you would like
- 17 to proceed.
- 18 THE WITNESS: Yeah. I think that this isn't
- 19 the first time, Your Honor, that the company has
- 20 presented cause for delaying to get Staff information.
- 21 We've had repeated occurrences where the
- 22 company has not been available. It's not made available
- 23 documents and provided a list of reasons as to why it
- 24 cannot do that. And I think that that's consistent with
- other dockets in prior years, using similar reasoning.

- 1 -- I'm not convinced that if we go that
- 2 direction that the company will show up at a later
- 3 hearing. But certainly, Staff is amenable to whatever
- 4 direction the Commission would like to go.
- 5 I just --
- 6 JUDGE PEARSON: So I -- I'm sorry.
- 7 THE WITNESS: I would just say be aware that
- 8 there's a history there of the company being
- 9 uncooperative and nonresponsive.
- 10 JUDGE PEARSON: Okay. And thank you for
- 11 that perspective.
- 12 And in light of that information, I do
- 13 believe we should go forward and hold the company in
- 14 default, and that it will be incumbent upon the company
- 15 to ask the Commission to vacate the default order.
- 16 That's very helpful information,
- 17 Mr. Perkinson. Because if the company has a history --
- 18 and it sounds like it does -- and I'm actually familiar
- 19 with the company. Wasn't as familiar with the details
- of its history, but I know the name because they have
- 21 appeared here multiple times before.
- 22 And so we certainly don't want to waste any
- 23 more time or resources if you think that the behavior is
- 24 likely to continue.
- 25 And the company does have an opportunity to

- 1 request to vacate the -- the default order. So the due
- 2 process rights are still preserved, and I'm comfortable
- 3 with that.
- 4 THE WITNESS: Thank you.
- 5 MR. FUKANO: Thank you, Judge.
- JUDGE PEARSON: Okay. I will issue an order
- 7 reflecting that I granted Staff's Motion for Default.
- 8 And that I considered the evidence, and that we are
- 9 canceling the company's permit unless the company
- 10 submits a Motion to Vacate the Default Judgment, in
- 11 which case the company will have until August 29th to
- 12 submit an acceptable Safety Management Plan and for
- 13 Staff to review it and to provide a different
- 14 recommendation to me.
- 15 MR. FUKANO: Thank you, Judge.
- JUDGE PEARSON: Okay. Anything further?
- 17 MR. FUKANO: I just wanted to briefly
- 18 re-clarify or make sure that I'm following your
- 19 procedural direction as to the ordering of the Motion to
- 20 Dismiss and the Safety Management Plan.
- 21 So it would be that the company would need
- 22 to move to -- move to vacate the default order. And if
- that were granted, then it would have the opportunity to
- 24 submit a Safety Management Plan, which would still need
- 25 to occur prior to the August 29th, cancellation date?

Page 28 JUDGE PEARSON: Correct. 1 2. And I think that in the event that the 3 company files a Motion to Vacate the Default Judgment, the Commission would issue an order or notice giving 4 5 further instructions to the company and explaining to 6 the parties that we can proceed on a paper record at this point. 8 MR. FUKANO: Understood. Thank you, Judge. 9 I do not think we would have JUDGE PEARSON: 10 time to schedule another hearing prior to that August 29th, deadline. 11 12 But I do think that we have enough information. And if Staff is working with the company, 13 and especially if Staff is able to come to an agreement 14 that we could resolve it on a paper record, as we often 15 16 do with these cases, I feel comfortable with that. 17 MR. FUKANO: Thank you. 18 JUDGE PEARSON: Okay. Anything further? 19 MR. FUKANO: Nothing further from Staff. 20 Okay. Thank you all for JUDGE PEARSON: being here today. 21 22 And we are adjourned. 2.3 24 (Hearing adjourned at 10:14 a.m.) 25 -000-

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2	CERTIFICATE
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5	STATE OF WASHINGTON)
6) ss. COUNTY OF KITSAP)
7	
8	I, CRYSTAL R. McAULIFFE, a Certified Court
9	Reporter in and for the State of Washington, do hereby
10	certify that the foregoing transcript of the
11	videoconference Brief Adjudicative Proceeding on AUGUST
12	12, 2022, is true and accurate to the best of my
13	knowledge, skill and ability.
14	IN WITNESS WHEREOF, I have hereunto set my hand
15	and seal this 19th day of August, 2022.
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19	CRYSTAL R. McAULIFFE, RPR, CCR #2121
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