



"Jeff Suth"
<JSuth@chipmancorp.com>
11/15/2006 04:21 PM

To: lmacombe@wutc.wa.gov
cc
bcc
Subject: Audit Response

Leon,

I faxed my response to your office this afternoon and am sending this as a backup. If you have any questions, please don't hesitate to call. Thank you for your help.

Sincerely,

Jeffrey T. Suth
GM - Kent, WA
(800) 228-9604
(425) 526-1431
(253) 217-1359 (Cell)
(425) 251-9437 (Fax)



WUTC Audit Response.pdf

The following is our written response to the terminal audit completed by Special Investigator Leon Macomber on October 31, 2006. Each item below corresponds with the item numbers of part b "violations" from this audit.

1. As this is an item that we cannot correct due to our failure to comply in the past, we can only respond with a commitment to make sure this does not occur in the future. As the new General Manager of this facility and prior operations manager, I can honestly say that I was unaware of this requirement and therefore hired drivers who were cleared to drive based on their driving record and experience. Additionally, there was some urgency in hiring to meet customer and business demands. Therefore, a pre-employment drug test was not completed. Both individuals did complete and pass a drug test at a later date and are included in the random drug testing program through United Van Lines. As a result of this audit, I have additionally communicated this requirement to my operations manager and this type of violation will not occur in the future.
2. I have contacted MBG Management Service of Olympia, WA to request notification of the next supervisor-training seminar that becomes available. Unfortunately, we had just missed their last one on October 31st. I will be attending this seminar as well as Denise Johnson from our special commodities division as she is also involved with our drivers on a regular basis. As we hire or change future personnel in our operations department, they will also be required to complete this training as they have the most day to day contact with drivers and other crew members.
3. We have had no reportable accidents in the past year. Due to my ignorance of this requirement, we did not have an accident register in place at the time of the audit. We have since implemented the use of the accident register that was provided in the WUTC Safety Guide.
4. This was an inadvertent error, as this driver had not been driving due to a change in position away from driving. He was immediately sent to Healthsouth in Kent and completed new DOT physical to update his medical card to become current. Please see attached a copy of this for confirmation. As most of our CDL drivers are dispatched through United Van Lines, their system regularly monitors each driver and their qualification status. Due to this driver not having handled any UVL shipments in some time, we did not notice that his medical card was due to expire. To make sure that this does not happen in the future. We have notified all operations staff regarding the expiration date of driver's medical cards so we can be more proactive in making sure these are updated as they near expiration.
5. It is a regular policy to maintain copies of MVR's in each driver file, as they are required prior to allowing any driver to drive regardless of classification. Unfortunately, these individuals had their records sent to our corporate office in

Alameda, CA and were not available at the time of the audit. Both of these individuals have completed the United Van Lines driver qualification process, which includes a review of their driving record. When United acquires these for review, they are maintained with their qualification packet at UVL headquarters in the safety department. In an effort to make sure this is corrected for the future, we will make copies of all applicants and drivers documentation prior to sending them to our corporate office. This will ensure that we have what we need in each drivers local file.

6. Many new employees for our company have come through staffing and placement companies. We have relied on these companies and their screening and background process when providing a viable candidate for our company. As these individuals prove to be a viable addition to our staff, we complete our own background confirmation. As mentioned in item 5, it has been the policy that primary employment files and records be maintained in our HR office located in our corporate headquarters in Alameda, CA. Therefore, the background information for Colt R. Bristow was not available in it's entirety during the audit. Mr. Albert L. Filimaua's had not been completed by our office prior to the audit, although he had completed the UVL qualification which includes a background and past employment verification. Both of these individual came through different staffing companies and neither were initially hired as drivers. I have requested copies of Mr. Bristow's background be sent to our office to keep in his local file. Additionally, when r. Filimaua's background is complete, I will request a copy for our local files. As mentioned in item 5, our solution to all of these employment and driver record files, will be to make sure copies are maintained locally even though the originals are at our corporate HR office.
7. This is another item that I was unaware of prior to this audit. Although it may seem late at this point, we will complete driver road tests for Dawna and Albert to get their files current to meet regulations. Additionally, we will road test all future potential drivers, both CDL & Non-CDL prior to their driving.
8. It is not the habit of this company to require or allow our driver to exceed the legal hours of operation rules. I have personally provided verbal warning to Mr. Bristow and documented his file. I additionally made it clear that it is his responsibility to make sure the operations and dispatch staff be notified when there is the possibility of hours being exceeded so corrective action can be taken in a timely manner. This same information was directed to our other drivers and operations staff. If we are regularly stretching the limits of our drivers, then we must hire additional drivers to spread out the workload.
9. Report 1176407 – involved two vehicles. Vehicle #1 has been placed permanently out of service. Vehicle #2 was placed out of service due to: a) right/rear turn signal inop. This problem was caused by vehicle #1. b) Brakes out of adjustment. This has been corrected. c) Relay valve leaking air. Repair is scheduled.

Report 1176408 – Passed – no violations

Report 1176409 -- a) Axle #1 Right/outside dual with sidewall separation. – Both axle #1 right side tires were replaced on 11/14.

Report 1176410 -- a) Failure to comply with vehicle markings. New vinyl lettering has been ordered to correct. b) Failed to carry copy of operating permit in vehicles. New vehicle record boxes have been purchased for all vehicles to ensure each maintains all proper documentation on board. c) No mounted fire extinguisher. Corrected on 11/10/06.

10. Also items 11, 12 & 13. All of these involve various aspects of vehicle maintenance files and records.

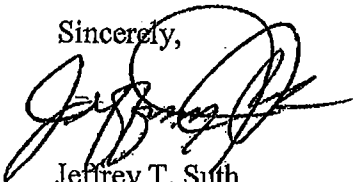
Due to previous high turn over in the management and operations staff of this company, coupled with changes in equipment ownership and operation, there has been no continuity, execution and follow-up in the area of vehicle inspections and maintenance on both company owned and leased/rented vehicles.

I have immediately initiated daily inspection requirements for all drivers for both owned and leased vehicles. We have added a page in each vehicle file to document any terminal repairs made to company owned vehicles. We have put in place an internal monthly inspection to double check the status of the vehicle and cross reference daily inspections. We have secured the services of an outside vendor to complete quarterly inspections and maintain record of any repairs made, making sure that these records are available when needed for internal use or future audits.

Another item that we have discussed which falls under proper identification of vehicles and also items WAC 480-15-590 & 600 for leasing or renting vehicles; please find attached an equipment lease agreement form recently faxed from your office for approval of our Master lease/rental agreement with Enterprise Rent A Truck. I have attached a copy of our agreement with them, which will renew again in January of next year. We have also ordered new magnetic signs to be used when these vehicles are rented which comply with the vehicle identification standards of item WAC 480-15-560.

Please don't hesitate to call if you have any questions about any of these items or the actions we have taken for the purpose of moving forward in maintaining proper compliance. I sincerely apologize for our failure to be better prepared for the audit and thank you for your patience in educating myself and providing us an opportunity to correct our procedures. I look forward to our recheck in 90 days, as I am confident you will see a marked improvement.

Sincerely,



Jeffrey T. Suth
General Manager

MEDICAL EXAMINER'S CERTIFICATE

I certify that I have examined

NOFORD FILIPINAKA

In accordance with the Federal Motor Carrier Safety Regulations (49 CFR 391.41- 391.49) and with knowledge of the driving duties, I find this person is qualified, and if applicable, only when:

- | | |
|--|--|
| <input type="checkbox"/> Wearing corrective lenses | <input type="checkbox"/> Driving within an exempt intracity zone (49 CFR 391.62) |
| <input type="checkbox"/> Wearing hearing aid | <input type="checkbox"/> Accompanied by a Skill Performance Evaluation Certificate (SPE) |
| <input type="checkbox"/> Accompanied by a _____ | waiver/exemption <input type="checkbox"/> Qualified by operation of 49 CFR 391.64 |

The information I have provided regarding this physical examination is true and complete. A complete examination form with any attachment embodies my findings completely and correctly, and is on file in my office.

Medical Examiner Signature

[Signature]

Date 10.31.06

Name (Print) M.J. Benavente, MD

MD DO DPM ANP Ch

License/Certificate #

MD00036739WA

State

Telephone

(206) 852-1824

Driver Signature

[Signature]

License #

FILIND-36428

State

WA

Address

1619 261st ST E, SPANAWAY, WA

98387

Medical Certificate Expiration Date

10.31.08