

**In the Matter of the Investigation of: PNW Moving &
Delivery LLC**

Docket No. TV-240169 - Vol. I

May 2, 2024



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Investigation of)
)
 PNW MOVING & DELIVERY LLC)
) DOCKET NO. TV-240169
 For Compliance with WAC 480-15-530,)
 WAC 480-15-550, WAC 480-15-555,)
 WAC 480-15-560, and RCW 81.80.075)
) PAGES 1-91

BRIEF ADJUDICATIVE PROCEEDING - VOL. I
 BEFORE ADMINISTRATIVE LAW JUDGE CONNOR THOMPSON
 May 2, 2024

Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, Washington 98504
 (Via Zoom)

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1 May 2, 2024

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4 JUDGE THOMPSON: Let's be on the record.

5 Good morning. Today is Thursday, May 2, 2024, and the
6 time is 9: 35 a.m.

7 This is a hearing in Docket TV-240169.

8 This docket is captioned respectively In the Matter of
9 the Investigation of PNW Moving & Delivery LLC for
10 compliance with WAC 480-15.

11 This matter was initiated following an
12 investigation by commission staff which began in January
13 of 2024.

14 Commission staff has filed a notice of
15 intent to cancel and complaint for penalties. On April
16 9, 2024, the notice and complaint were sent to the
17 company, and an evidentiary hearing in the matter was set
18 for today.

19 My name is Connor Thompson, and I am the
20 administrative law judge presiding over today's brief
21 adjudicative proceeding.

22 Let's go ahead and take appearances from
23 both parties, and then we'll talk about how we're going
24 to proceed this morning. We'll go ahead and start with
25 commission staff.

1 ATTORNEY JONES: Good morning, your Honor.
2 My name is Cassandra Jones, assistant attorney general
3 representing staff today. With me is Tracy Cobile,
4 special investigator; and Jason Sharp, motor carrier
5 safety supervisor.

6 JUDGE THOMPSON: Thank you. And the
7 company?

8 MR. SATIR: Hello, your Honor.
9 Dimitriy with PNW Moving & Delivery. And I don't know
10 what else I'm supposed to say. I'm sorry.

11 JUDGE THOMPSON: That's okay. And
12 Dimitriy, how do you pronounce your last name?

13 MR. SATIR: Sa-teer, S-A-T-I-R.

14 JUDGE THOMPSON: Satir.

15 MR. SATIR: Yes.

16 JUDGE THOMPSON: Okay. Thank you.

17 Since we are doing this hearing over Zoom,
18 I am going to ask that the parties be aware of background
19 noise and that you mute your microphone when you are not
20 speaking. If you need to speak or raise an issue, please
21 identify yourself when you are speaking. And we should
22 make a note not to talk over one another so the court
23 reporter can make a clear record of our hearing today.

24 Let's go ahead and talk about briefly the
25 plans for today's hearing. Because this hearing was

1 initiated following commission staff issuing a notice of
2 intent to cancel and complaint for penalties, I am going
3 to ask staff to tender their evidence and witnesses for
4 examination first.

5 Mr. Satir may then cross-examine the
6 witness or witnesses.

7 I will then allow Mr. Satir to tender his
8 evidence and witnesses.

9 Staff may cross-examine those witnesses.

10 And we can then end the hearing by
11 allowing each party a chance to give a closing statement.

12 I have received staff exhibits and exhibit
13 lists. I've also received from staff a revised exhibit
14 list.

15 Ms. Jones, have you or can you confirm
16 that the exhibits in staff's exhibit list were sent to
17 Mr. Satir?

18 ATTORNEY JONES: Yes, they were.

19 JUDGE THOMPSON: Okay. And Mr. Satir, do
20 you have those?

21 MR. SATIR: Yes, I do.

22 JUDGE THOMPSON: Okay. Great.

23 Since I'm not aware of any prior
24 stipulation to the admission of those prefiled exhibits,
25 I would suggest that we move for admission of the

1 exhibits as they come up for direct or cross-examination.
2 The opposing party or opposing counsel can object as
3 needed, and I think that that's how we'll go ahead and
4 handle exhibits.

5 Before we begin with staff's presentation
6 of witnesses and evidence, I would also note for the
7 record that in the Consolidated Dockets TV-220133 and
8 TV-220134, staff recently filed a recommendation to
9 cancel the payment arrangement that was previously in
10 place for the company. That was followed by Order 2 in
11 the consolidated dockets canceling that payment
12 arrangement.

13 The company subsequently filed a request
14 for extension. And with that extension request, the
15 company filed some insurance information. The request
16 itself for extension was denied in Order 3 in those
17 consolidated dockets. And we're not going to be dealing
18 with that here today.

19 However, the insurance information
20 submitted with the request is likely to be probative and
21 relevant in this proceeding, and may impact how staff
22 handles the matter moving forward. Accordingly, I would
23 like to take notice of those filings, all those filings,
24 in the consolidated dockets for this record.

25 But I will give the parties an opportunity

1 to argue otherwise if they see fit. Does staff have any
2 objection to taking notice of those documents?

3 ATTORNEY JONES: Your Honor, thank you. I
4 have not seen the updated insurance documents in the
5 consolidated docket. So I would just like to take a
6 moment to take a look at those, if that would be okay.

7 JUDGE THOMPSON: That would be perfectly
8 fine. Counsel, would it be best for you to take a
9 five-minute recess to give you time to look over those?

10 ATTORNEY JONES: I would appreciate that.
11 Thank you.

12 JUDGE THOMPSON: At this point in time
13 we'll go ahead and take a brief recess and go off the
14 record. We will return and be back on the record at
15 9:45.

16 (Recess)

17 JUDGE THOMPSON: Okay. Thank you. It is
18 9:45 a.m., and we are back on the record.

19 Ms. Jones, have you had a chance to review
20 the filings I mentioned?

21 ATTORNEY JONES: Yes, your Honor. I've
22 reviewed that. Staff has reviewed that. And staff has
23 no objection to your Honor taking official notice of
24 that.

25 JUDGE THOMPSON: Wonderful. I will take

1 notice of the following, then: Staff's recommendation to
2 cancel payment filed March 8, 2024; Order 2 canceling
3 payment arrangement issued March 21, 2024; the company's
4 filing of a request for extension and insurance
5 information filed April 8, 2024; and Order 3 denying
6 request for review, all of which were filed under the
7 Consolidated Dockets TV-220133 and TV-220134.

8 Are there any other questions or issues
9 that need to be addressed before we proceed with staff's
10 witnesses?

11 ATTORNEY JONES: Your Honor, yes. Staff
12 has a couple of issues to raise if I might.

13 I just wanted to point out for your Honor
14 that there is -- on staff's exhibit list, there are a
15 couple of errors that I just wanted to point out. And
16 that staff has on the revised exhibit list, JS-6 and
17 JS-7. Those are mislabeled. They should actually be
18 labeled JS-1 and JS-2.

19 So JS-6 is actually JS-1, and JS-7 is
20 actually JS-2. And those exhibits are -- the exhibits
21 themselves were properly labeled. But I just, to avoid
22 any confusion, wanted to raise that issue.

23 JUDGE THOMPSON: Thank you for doing so.

24 ATTORNEY JONES: And then -- sorry.

25 JUDGE THOMPSON: No, go ahead and proceed.

1 ATTORNEY JONES: I have one additional
2 issue, and this is along the lines of official notice.
3 Staff has two exhibits on the revised exhibit list. And
4 that's TC-4 and TC-5. Those are official letters of the
5 commission, which -- one which cancels the company's
6 provisional permit on the date indicated, and one which
7 reinstates the company's permit on the date indicated.
8 And staff would like to ask your Honor to take official
9 notice of those documents as well.

10 And then finally, staff would also like
11 you to take official notice of Order 01 in the
12 consolidated docket that we were just discussing, 220133
13 and 220134.

14 JUDGE THOMPSON: Okay. Mr. Satir, do you
15 have any objection?

16 MR. SATIR: No. I'm sorry. I'm not a
17 paper person, so I don't know what -- (inaudible). I
18 apologize about that.

19 JUDGE THOMPSON: That's okay. Staff is
20 just asking that I take official notice of those
21 documents so that they will be a part of the record
22 moving forward.

23 They are each of them documents which have
24 been filed with commission in that prior docket which we
25 were discussing from 2022. And they are part of, or

1 referenced in -- at least Order 1 is referenced in the
2 complaint. And I believe that the cancellation and
3 reinstatement are referenced in the complaint as well.
4 If not, they are referenced in the declaration that
5 accompanies the complaint. So they are, at least
6 incorporated by reference, part of the record.

7 MR. SATIR: Okay.

8 JUDGE THOMPSON: Does that help?

9 MR. SATIR: Yeah, makes sense.

10 JUDGE THOMPSON: Okay. Wonderful. I will
11 go ahead and take notice of those.

12 And by doing so, do you still intend to
13 proffer TC-4 and TC-5 as part of your presentation?

14 ATTORNEY JONES: No. I think I won't.

15 JUDGE THOMPSON: Okay. We'll go ahead and
16 take notice of those two exhibits.

17 And at this time, if you want to introduce
18 your first witness and tender them, we can proceed.

19 ATTORNEY JONES: Thank you, your Honor.
20 At this time, staff will call Tracy Cobile.

21 THE WITNESS: Good morning.

22 JUDGE THOMPSON: Good morning. Ms.
23 Cobile, am I pronouncing your last name correctly? Okay.
24 Wonderful. If you would please raise your right hand,
25 I'll swear you in.

1 Do you swear or affirm that the testimony
2 you will give today will be the truth, the whole truth,
3 and nothing but the truth?

4 THE WITNESS: Yes, I do.

5
6 TRACY COBILE, witness herein, having been first
7 duly sworn on oath, was examined and
8 testified as follows:

9
10 JUDGE THOMPSON: Okay. Wonderful.
11 Counsel, you may proceed.

12 ATTORNEY JONES: Thank you.

13

14 EXAMINATION

15 BY ATTORNEY JONES:

16 Q Good morning. Would you please state your name
17 and spell your last name for the record?

18 A Tracy Cobile, C-O-B-I-L-E.

19 Q How are you employed?

20 A I am employed with the Washington Utilities and
21 Transportation Commission.

22 Q What position do you hold at the commission?

23 A Special Investigator 3 with the Motor Carrier
24 Safety Program for the Washington Utilities and
25 Transportation Commission.

1 Q And can you describe your duties?

2 A Sure. As a special investigator with the Motor
3 Carrier Safety Program for the commission, I conduct
4 compliance investigations on regulated transportation
5 companies, which includes inspecting the carrier's
6 records and physically inspecting the commercial motor
7 vehicles in their fleet.

8 Q Have you received any training or education to
9 enable you to carry out your duties as a special
10 investigator?

11 A Yes. So I obtained my investigative safety
12 analysis certification from the Federal Motor Carrier
13 Safety Administration.

14 And I am certified through the Commercial
15 Vehicle Safety Alliance to conduct commercial vehicle
16 inspections.

17 And then prior to working for the UTC, I served
18 as a commercial vehicle enforcement officer with the
19 Washington State Patrol for seven years. And four of
20 those years included investigative work conducting new
21 entrant safety audits.

22 Q Are you therefore familiar with state and
23 federal regulations governing operation of household good
24 carriers?

25 A Yes.

1 Q Are you familiar with a company called PNW
2 Moving & Delivery LLC?

3 A Yes.

4 Q What type of company is PNW Moving & Delivery?

5 A Household goods carrier.

6 Q How long has the company been a household goods
7 carrier?

8 A The company reported to be formed in 2016.

9 Q Is the company currently in provisional status?

10 A Yes.

11 Q How did you become familiar with the company?

12 A Per Order 1 in Docket 220133 and TV-220134
13 consolidated, I was assigned PNW Moving & Delivery LLC as
14 a followup investigation to the prior review that was
15 conducted by myself in 2022.

16 Q Okay. So you've done two compliance reviews
17 of this company; is that right?

18 A Yes.

19 Q Who owns the company?

20 A Dmitriy Satir.

21 Q And is Dmitriy Satir also responsible for the
22 company's safety program?

23 A Yes.

24 Q Do you know how many drivers the company
25 employs?

1 A At the time of the 2024 investigation, the
2 carrier had five drivers.

3 Q How many commercial vehicles does the company
4 operate?

5 A At the time of the 2024 investigation, the
6 carrier leased four commercial motor vehicles from
7 Enterprise Truck Rental in Fife, Washington.

8 Q So you said you performed an investigation of
9 the company's compliance with the laws relating to
10 household goods carriers; is that right?

11 A Yes.

12 Q And when staff performs a review of a company's
13 operating -- household goods operations, what does staff
14 do?

15 A A compliance review is an on-site examination
16 of the motor carrier's operations, such as the drivers'
17 hours of service, driver qualification files, physical
18 inspections of vehicles, repair and maintenance files,
19 driver's license requirements, financial responsibility,
20 insurance, accident history, if applicable.

21 And the documentation required there, the
22 hazardous materials, if applicable, and other safety and
23 transportation records to determine whether a motor
24 carrier meets the safety fitness standards.

25 A compliance review may also be conducted in

1 response to a request for a safety rating change or a
2 follow-up to an investigation of potential violations of
3 a safety regulation, or in response to complaints or
4 other evidence of safety violations reported.

5 As an investigator, and as part of a
6 comprehensive compliance investigation, I'm checking and
7 documenting compliance in accordance with the required
8 Washington Administrative Codes, the Revised Codes of
9 Washington, and the Code of Federal Regulations adopted
10 by the state.

11 Q Okay. So you mentioned you're looking at
12 records, correct?

13 A Yes.

14 Q As part of your review?

15 A Yes.

16 Q What type of records are you looking at?

17 A As mentioned before, so I'm looking at the
18 carrier's operations to include what I had just stated.

19 Q Okay. And did you review all of those records
20 as you just described when you were performing your
21 review of Pacific Northwest Moving & Delivery?

22 A Yes.

23 Q Okay. And when you finish a compliance review,
24 do you produce a report of your findings?

25 A Yes.

1 Q Do you produce those reports in the ordinary
2 course of business?

3 A Yes.

4 Q And why do you produce those reports?

5 A The investigative report is produced to record
6 and document details of the comprehensive compliance
7 investigation that was conducted.

8 Q Is it important that your reports accurately
9 reflect what you found in your review?

10 A Yes.

11 Q Did you produce such a report when you
12 completed your review of Pacific Northwest Moving &
13 Delivery?

14 A Yes.

15 Q Okay. Would you please turn to the exhibit
16 marked TC-3. Just let me know when you have it.

17 A I have it.

18 Q Okay. Can you identify that document, TC-3?

19 A Exhibit TC-3 is the final investigative report
20 prepared by me for PNW Moving & Delivery LLC dated March
21 11, 2024.

22 Q Okay. And did you make this report in the
23 ordinary course of business?

24 A Yes.

25 Q And is it -- does it accurately reflect what

1 you found?

2 A Yes.

3 ATTORNEY CARLSON: Okay. At this time,
4 I'll move to admit Staff Exhibit TC-3.

5 JUDGE THOMPSON: Mr. Satir, do you have
6 any objection?

7 MR. SATIR: No.

8 JUDGE THOMPSON: Okay. Staff's Exhibit
9 TC-3 is admitted.

10 (Staff Exhibit Number TC-3 admitted.)

11 JUDGE THOMPSON: Counsel, you may proceed.

12 ATTORNEY JONES: Thank you.

13 Q (By Attorney Jones) I'd like you to turn now to
14 the exhibit marked TC-2.

15 A Yes, I have that.

16 Q Would you please identify that document, TC-2?

17 A Sure. This is Exhibit TC-2. It's the final
18 investigative report prepared by me for PNW Moving &
19 Delivery, and it is dated February 23, 2022.

20 Q Okay. So this is your report from the first
21 investigation that you did of the company; is that
22 correct?

23 A Yes.

24 Q And does this report accurately reflect what
25 you found in that review?

1 A Yes.

2 ATTORNEY CARLSON: Okay. At this time,
3 I'd like to move to admit Staff Exhibit TC-2.

4 JUDGE THOMPSON: Mr. Satir, do you have
5 any objection to admitting Staff's Exhibit TC-2?

6 MR. SATIR: No.

7 JUDGE THOMPSON: Okay. At this time
8 staff's exhibit labeled TC-2 is admitted.

9 (Staff Exhibit TC-2 Admitted.)

10 JUDGE THOMPSON: Counsel, you may proceed.

11 ATTORNEY JONES: Thank you.

12 Q (By Attorney Jones) And finally, I'd like you
13 to turn to Staff's Exhibit marked TC-1.

14 A Yes, I have that.

15 Q Okay. Can you identify that document, TC-1?

16 A Yes. This is Exhibit TC-1. It is the final
17 investigative report prepared by previous investigator
18 Meranda Bilbrey for PNW Moving & Delivery LLC dated May
19 6, 2020.

20 Q Okay. So this was a report of an investigation
21 that occurred prior to when you did your first
22 investigation; is that correct?

23 A Yes.

24 Q Okay. And who prepared this report?

25 A The investigator's name is Meranda,

1 M-E-R-A-N-D-A; Bilbrey, B-I-L-B-R-E-Y.

2 Q Okay. And does this appear to be a true and
3 accurate copy of Ms. Bilbrey's report?

4 A Yes.

5 Q Does it appear to have been prepared in the
6 same manner as the other two reports that were just
7 admitted?

8 A Yes.

9 ATTORNEY JONES: At this time, I would
10 move to admit Staff's Exhibit TC-1.

11 JUDGE THOMPSON: Mr. Satir, do you have
12 any objection?

13 MR. SATIR: No.

14 JUDGE THOMPSON: Okay. At this time,
15 Staff's Exhibit TC-1 is admitted into evidence. You may
16 proceed.

17 (Staff Exhibit TC-1 admitted.)

18 ATTORNEY JONES: Thank you.

19 Q (By Attorney Jones) I'd like to turn now to the
20 results of your review of Pacific Northwest Moving &
21 Delivery that occurred in 2024. As part of your safety
22 investigation of the company, did you review the
23 company's history in regards to its permit status; in
24 other words, did you look at whether the company had ever
25 had its permit canceled before?

1 A Yes.

2 Q And how do you determine -- when you're looking
3 at that history, how did you determine whether the
4 company's permit had ever been canceled?

5 A As part of the investigative process and to
6 determine the company permit status, I accessed the UTC
7 SharePoint site and specifically reviewed the permit
8 status and chronological permit history for this company.

9 Q Did you determine whether the company has a
10 history of cancellation of its permit?

11 A Yes.

12 Q And did it have a history of cancellation of
13 its permit?

14 A Yes. So during my investigation, I discovered
15 that PNW Moving & Delivery LLC had a documented pattern
16 in the UTC SharePoint system of permit cancellation
17 activity for insufficient proof of insurance.

18 Q And what were the dates of the company's --
19 what were the dates that the company's permit was most
20 recently canceled?

21 A A cancellation letter was issued to the company
22 on April 20, 2023, in Docket TV-230262. And the company
23 was informed in the cancellation letter to cease all
24 operations associated with its permit at that time.

25 Q When you review a carrier's permit status for

1 such periods of cancellation, do you also look -- as part
2 of your compliance review, do you look to see whether the
3 carrier was operating as a household goods carrier during
4 the period of cancellation?

5 A Yes.

6 Q And how do you review that?

7 A PNW Moving & Delivery LLC, as a regulated
8 household goods carrier, is required to have a valid
9 permit for all household goods moves conducted. So I'm
10 looking to make sure that they are operating within
11 accordance to RCW 81.80.075.

12 Q Okay. And so what kinds of things are you
13 looking for in your review that would let you know
14 whether a company had been operating during a period that
15 their permit was canceled?

16 A So using the UTC SharePoint permit status
17 detail for the company, that's the determination of the
18 carrier's provisional permit when it was canceled on
19 April 20, 2023, due to the insufficient proof of
20 insurance.

21 The company's responsible for retaining its
22 work orders. It's all state work orders and bill of
23 lading. Some people use one or the other or both to
24 describe their household goods moved and the
25 documentation used for that purpose. So the work orders

1 and/or the bill of ladings for the previous three years.

2 And then during the period of cancellation for
3 this carrier, from April 20, 2023, to June 14, 2023, I
4 reviewed the work orders and bill of ladings for the
5 household goods moves conducted by PNW while not
6 permitted.

7 Q Okay. So in reviewing the work orders and bill
8 of ladings as you described for this company, did you
9 find any evidence that this company had been operating
10 during that period of cancellation that you just
11 described?

12 A Yes, I did.

13 Q Okay. What evidence did you find?

14 A I found work orders for regulated household
15 goods moves conducted during that period.

16 Q Okay. How many times -- according to your
17 review of the records, how many times did you find that
18 the company had been operating as a household goods
19 carrier while its permit was canceled?

20 A 45 times.

21 Q Okay. And were those work orders and bill of
22 ladings, do those indicate to you that a company has been
23 transporting household goods for compensation in this
24 state or entered into an agreement to do that?

25 A Yes.

1 Q Did you address this with the company during
2 your review?

3 A Yes.

4 Q Okay. And so what -- so did Mr. Satir -- what
5 did he say when you addressed it, this issue of operating
6 without a permit?

7 A Dmitriy Satir stated that he needed to do what
8 he needed to do to make money; and that he understood
9 that he was operating without the required insurance
10 coverage and permit.

11 Q Thank you.

12 You mentioned insurance coverage. So I'd like
13 to ask you now, as part of your safety investigation of
14 the company, did you review the company's cargo insurance
15 coverages?

16 A Yes.

17 Q And why do you review cargo insurance coverage,
18 and what are you looking for?

19 A In accordance with 480-15-550, I'm looking to
20 determine if the company has adequate cargo insurance as
21 required. Verifying insurance coverage with the
22 insurance companies, I will review the work orders and
23 bill of lading to determine household goods conducted
24 while not having cargo insurance in place.

25 Q And did you follow this process in your review

1 of the company in this case?

2 A Yes.

3 Q Okay. Can you just describe specifically the
4 actions that you took when you were reviewing the cargo
5 insurance status of Pacific Northwest Moving & Delivery?

6 A Can you ask me that again?

7 Q Yes. I'm just asking you to describe what
8 actions you took as you were looking to -- as you were
9 reviewing this company's cargo insurance coverage?

10 A So as I'm reviewing the coverage, PNW leases
11 all of its vehicles from Enterprise Truck Rental out of
12 Fife, Washington. And Satir, Dmitriy Satir, Mr. Satir,
13 was made aware from my 2022 investigation that Enterprise
14 does not provide the minimum level of liability or cargo
15 coverage on leased commercial motor vehicles, and needed
16 to have them insured through their own policy.

17 And at the time of the 2024 investigation,
18 Satir had insurance coverage on one vehicle -- that was
19 Unit Number 4 -- through his insurance company. But not
20 on the other three.

21 Q Okay. And we're still just talking about cargo
22 insurance, right, at this point?

23 A Yes. That was regarding the cargo insurance.

24 Q Okay. So you found evidence that their three
25 vehicles were being operated without cargo insurance; is

1 that correct?

2 A Yes.

3 Q Okay. Did you request from Mr. Satir any
4 documentation for those other vehicles?

5 A I was able to determine, based on the work
6 orders and the bill of ladings for review, that the
7 company was conducting household goods moves without the
8 cargo insurance coverage for the specific vehicles used
9 to conduct household goods moved while not insured.

10 So just to be clear, the actual vehicles that
11 were not insured, I was looking at the bill of lading and
12 work orders for those specific vehicles and those trips
13 made while not covered with cargo insurance.

14 Q Thank you.

15 A You're welcome.

16 Q How many instances did you find of the company
17 operating those vehicles that did not have cargo
18 insurance during the period that you were looking at?

19 A 120 times.

20 Q Okay. And did you review this requirement for
21 cargo insurance with the company during your compliance
22 review?

23 A Yes.

24 Q Okay. What did Mr. Satir say recording the
25 requirement to have cargo insurance?

1 Did he acknowledge that he understood that?

2 A He did. Again, it was that he needed to do
3 what he needed to do, and to make money and acknowledge
4 that he understood that he was operating without the
5 required cargo insurance coverage.

6 Q Okay. And had this company been in violation
7 of this requirement related to cargo insurance in any
8 past safety investigations?

9 A Yes.

10 Q Which one?

11 A The TC- -- Exhibit TC-2, safety investigation
12 Docket 220133 and 220134 consolidated.

13 Q Okay. So in your first review, you also found
14 this company in violation of the cargo insurance rules?

15 A Correct.

16 Q Okay. Thank you.

17 Is this violation related to cargo insurance,
18 is this an acute innovation?

19 A Yes.

20 Q Can you describe what it means to be an acute
21 violation?

22 A Acute violations are defined as those where
23 noncompliance is so severe that they require immediate
24 corrective action by a motor carrier regardless of the
25 overall safety position, such as one-time occurrences.

1 Q Okay. I'd like to turn now to discussing
2 public liability and property damage insurance. As part
3 of your compliance review, did you also review whether
4 the company was operating with the required levels of
5 public liability and property damage insurance?

6 A Yes.

7 Q And why do you review a company's insurance
8 status and what are you looking for when you do that?

9 A In this case -- so in accordance with WAC,
10 Washington Administrative Code 480-15-530, looking to
11 determine if the company has adequate liability insurance
12 in place, and I'm verifying that through the insurance
13 companies. And I will review the -- I will -- I did. I
14 reviewed the work orders and the bill of lading to
15 determine the household goods moves conducted while not
16 having the adequate liability coverage in place.

17 Q And is that the process that you followed in
18 this case with this company?

19 A Yes.

20 Q And in your review of Pacific Northwest Moving
21 & Delivery, did you find any evidence that the company
22 was conducting household goods moves without adequate
23 public liability and property damage coverage?

24 A Yes. So based on the bill of lading and work
25 orders provided for review by the carrier, the company

1 was conducting household goods moves without the required
2 liability coverage.

3 Q How did you determine that the company did not
4 have adequate liability and property damage coverage?

5 A By verifying the insurance coverage with the
6 insurance company or the lack thereof, and also looking
7 at the bill of lading and work orders for those trips
8 conducted while not insured.

9 Q And can you describe which vehicles were the
10 ones -- was it the vehicles that were not insured, or
11 which ones?

12 A Unit Number 5, Unit Number 6, and Number 7 were
13 not insured.

14 Q How many times did you find that the company
15 operated without adequate public liability and property
16 damage insurance?

17 A 120 times.

18 Q And is this a requirement that you reviewed
19 with the company during your review?

20 A Yes.

21 Q And again, did Mr. Satir have any comments on
22 this particular requirement?

23 A Yes. That he needed to do what he needed to
24 do; that, you know, there was a monetary issue; and that,
25 you know, he acknowledged and understood. He was

1 forthcoming. He understood that he was in violation of
2 not having the required insurance in place.

3 Q And is this violation that we're discussing, is
4 this also an acute violation?

5 A Yes.

6 Q Okay. And did you ask for -- did you ask the
7 company to provide any updated insurance policies to
8 cover those vehicles that were identified as not insured
9 in your review?

10 A Yes. I asked for an updated insurance policy
11 numerous times, and Satir was unable to provide an
12 updated policy to include the vehicles in operation
13 conducting household goods moves covered under the
14 policy.

15 And the carrier provided an insurance policy
16 to the commission as part of its reinstatement
17 application with an effective date of -- let me get that
18 date. With an effective date of May 12, 2023. However,
19 the policy submitted as part of that reinstatement only
20 had coverage for one vehicle out of the four vehicles
21 currently in operation at the time of the investigation.
22 And Truck Number 4 was the only vehicle insured under the
23 submitted policy.

24 Q Thank you.

25 Turning now to a different topic, when you

1 review a household goods carrier, do you look to see if
2 the carrier has performed criminal background checks on
3 each of its employees?

4 A Yes.

5 Q And how do you do that?

6 A I am requesting the company provide the
7 required background checks for all employees currently
8 employed by the company for review.

9 Q When you conducted your review of PNW Moving &
10 Delivery, did you examine the company's records for these
11 background checks?

12 A Yes. Those that were provided.

13 Q Did the company have those records for all of
14 its employees?

15 A No.

16 Q How many employees did the company not perform
17 criminal background checks on?

18 A So there were 11 violations of WAC 480-15-555
19 for not having background checks conducted for 5 out of
20 the 11, where none were conducted at all. Six out of the
21 11 were in violation for the background checks not being
22 conducted prior to the date of hire or the first day
23 worked.

24 Q And is the failure to meet this requirement
25 related to criminal background checks, is this a critical

1 violation?

2 A Yes.

3 Q What does it mean that a violation is a
4 critical violation?

5 A A critical violation is that which is
6 identified as such where noncompliance is indicative of
7 breakdowns of a company's safety management controls and
8 demonstrates a pattern of noncompliance.

9 Q Has this company previously been in violation
10 of this requirement related to completion of criminal
11 background checks?

12 A Yes.

13 Q Can you identify when those previous violations
14 were?

15 A The 2022 safety investigation and the 2020
16 safety investigation.

17 Q Okay. All right.

18 Turning now to records of duty status, when you
19 review operational records of a carrier, do you look for
20 records of duty status?

21 A Yes.

22 Q What is a record of duty status?

23 A A motor carrier is subject to the requirements
24 of hours of service, or the record of duty status. They
25 must require each driver used by the motor carrier to

1 record the driver's record of duty status for each
2 24-hour period using the appropriate method applicable to
3 its operations.

4 Q Did you look to records of duty status during
5 your investigation of PNW Moving & Delivery?

6 A Yes.

7 Q Did you find any missing records of duty
8 status?

9 A Yes.

10 Q How many records of duty status were missing in
11 the documents that you reviewed?

12 A The sample size for review in relation to the
13 hours of service, which is 49 C.F.R. Part 395 of this
14 investigation, was five drivers. So for each of those
15 five drivers, the review would be 30 days or 30-day
16 period checked, which would be a total of 150 records
17 checked. There were 61 violations discovered for failure
18 to make a record of duty status using the appropriate
19 method.

20 Q So 61 violations, you said?

21 A 61 total violations, yes.

22 Q And is failure to maintain these records of
23 duty status, is this a critical violation?

24 A Yes.

25 Q Has the company had previous violations of this

1 requirement related to record of duty status?

2 A Yes.

3 Q When were those violations found?

4 A The 2022 safety investigation and the 2020
5 safety investigation.

6 Q And just for the record, the 2022 safety
7 investigation, is that Docket TV-220133 and 220134
8 consolidated?

9 A Yes.

10 Q And the 2020 investigation, is that Docket
11 TV-200421 and 200419 consolidated?

12 A Yes.

13 Q Did you ask Mr. Satir why this repeat violation
14 was allowed to occur?

15 A Yes. Satir stated that they didn't get around
16 to doing them.

17 Q Okay. Turning now to vehicle maintenance
18 records, you stated that as part of your compliance
19 review of the carrier that you -- I think you stated that
20 you review vehicle maintenance records; is that correct?

21 A Yes.

22 Q Okay. What are the minimum records related to
23 inspection and maintenance that a carrier is required to
24 maintain?

25 A If the carrier controls a motor vehicle for 30

1 consecutive days, the carrier must maintain a vehicle
2 maintenance file for each vehicle in their control.

3 Q And when you are reviewing a carrier's records,
4 are you looking to see if it has these records of
5 inspection and vehicle maintenance?

6 A Yes.

7 Q Okay. Did you review PNW Moving & Delivery's
8 records relating to inspection and maintenance of
9 vehicles?

10 A Yes.

11 Q Were there any orders of inspection and vehicle
12 maintenance missing from the company's records?

13 A Yes.

14 Q Which records were missing?

15 A The carrier failed to maintain a vehicle
16 maintenance file for leased vehicle Unit Number 6.

17 Q Okay. So how many violations there did you
18 find?

19 A One.

20 Q And is this violation a critical type
21 violation?

22 A Yes.

23 Q What does it mean to be a critical type
24 violation?

25 A A critical type violation may demonstrate a

1 pattern of noncompliance; however, in this case, did not
2 equal the 10 percent or more of the sample, therefore,
3 causing the critical type definition versus the critical.

4 Q Thank you.

5 Has the company had previous violations of this
6 requirement?

7 A Yes.

8 Q And when did those previous violations occur?

9 A In this case, the 2022 safety investigation.
10 Do I need to say the docket numbers?

11 Q No. I think the record is clear on that.
12 Thank you.

13 A Okay.

14 Q All right. Turning now to discussing accident
15 registers, can you explain what an accident register is?

16 A An accident register is a form or record used
17 to record an accident that meets the definition of a
18 reportable accident if applicable.

19 Q Are household goods movers required to maintain
20 an accident register for a certain period of time after
21 an accident occurs?

22 A Yes. If applicable, an accident register must
23 be maintained for a period of three years after the date
24 of each accident.

25 Q Did you review PNW Moving & Delivery?

1 Did you review their records for compliance
2 with this requirement relating to accident registers?

3 A Yes.

4 Q What did you find in your review?

5 A That the carrier failed to maintain an accident
6 register for a reportable accident that occurred in the
7 previous 365 days.

8 Q And how many violations are associated with
9 this in your review?

10 A One.

11 Q All right. I'd like to ask you now to describe
12 what is a Form MCS-150?

13 A The MCS-150 form is required by the Federal
14 Motor Carrier Safety Administration, or FMCSA, to either
15 obtain or renew a U.S. DOT number, and is required to
16 collect company data for safety purposes.

17 Q When you review a carrier's records as part of
18 a safety investigation, do you review whether this Form
19 MCS-150 has been filed according to to the required
20 schedule?

21 A Yes.

22 Q What is the schedule under which the form needs
23 to be filed?

24 A There are routine updates, and then there are
25 biennial updates to the MCS-150 form that are required.

1 Routine updates to the MCS-150 should be made
2 in a timely manner when significant changes to contact
3 information, corporate contacts, or overall operations
4 occur.

5 The biennial updates must be filed with FMCSA
6 within -- or every 24 months. And the time to file is
7 determined based on the next to the last digit of the
8 U.S. DOT number. If it's an odd number, then you would
9 file in an odd-numbered year. If it's an even number,
10 then you would file in an even-numbered year. Is that
11 too much?

12 Q No, that's helpful. Thank you.

13 Did you review the company's MCS-150 form?

14 A Yes.

15 Q Did you know any issues or violations
16 associated with this form?

17 A Yes. The carrier did not update the form
18 routinely or according to the schedule.

19 Q Okay. All right.

20 And so how many -- sorry. Did you say how many
21 violations were associated with this form?

22 A I did not. But would you like -- there was one
23 violation.

24 Q Have you found the company has previously
25 violated this requirement in the past?

1 A Yes.

2 Q And which safety investigation was that
3 violation found in?

4 A The 2022 safety investigation.

5 Q Okay. Turning now to your review of the
6 company's driver qualification files, can you explain
7 what a driver qualification file is?

8 A A driver qualification file, or DQ file, is a
9 file containing documents as required by C.F.R. 391.51 to
10 maintain on current drivers and previous drivers with a
11 retention of employment plus three years.

12 Q And can you just kind of generally describe the
13 type of documentations that are included in those files?

14 A Sure. The application for employment, the road
15 test, and certificate or equivalent, safety performance
16 history inquiries, an MVR or motor vehicle report, a
17 medical examiner certificate or MEC, the MEC verification
18 note from the carrier verifying the MEC, a skills
19 performance evaluation or an SPE, if applicable, annual
20 requirements of the MVR, all general requirements as
21 outlined in 391.51.

22 Q So when you're reviewing these driver
23 qualification files, you're looking to -- do you look to
24 make sure the carrier's file includes a complete
25 employment application?

1 A Yes.

2 Q What constitutes a completed employment
3 application?

4 A The completed employment application needs to
5 be signed by the applicant and must contain the
6 information listed in accordance with C.F.R. 391.21(a).

7 Q Did you look for those completed applications
8 when you reviewed PNW Moving & Delivery's records?

9 A Yes.

10 Q Did the company have them for all its drivers?

11 A No. The carrier had applications on file that
12 were incomplete and failed to meet the requirements of
13 the 391.21(a).

14 Q Sorry. How many applications were not
15 complete?

16 A Three.

17 Q And has this company been previously in
18 violation of this requirement related to maintaining
19 complete employment applications?

20 A Can you ask me that again? I was looking away.

21 Q Yes. Has this company previously violated this
22 requirement to maintain complete employment applications?

23 A Yes.

24 Q When were the previous violations?

25 A The 2022 safety investigation.

1 Q Okay. And when you're reviewing a household
2 goods carrier's records, are you reviewing whether a
3 carrier has investigated a driver's motor vehicle record
4 within 30 days of hire?

5 A Yes.

6 Q And how do you look for that information?

7 A The MVR needs to be conducted within 30 days of
8 hire as a requirement of C.F.R.391.23(a)(1) to be
9 compliant with the driver qualification requirements.

10 Q Did you review PNW Moving & Delivery's records
11 to see if the company had investigated the driving record
12 of its drivers within 30 days as is required?

13 A Yes.

14 Q And what did you find when you reviewed?

15 A That there were two -- that the company
16 sustained two violations for not adhering to pulling the
17 MVR within 30 days of hire.

18 Q Okay. Turning now to investigation of a
19 driver's performance history, when you review a company's
20 records, do you examine them to see if a carrier has
21 investigated their driver's performance history with
22 Department of Transportation regulated employers?

23 A Yes.

24 Q And can you explain what you're looking for
25 when you're checking for this?

1 A Sure. If an applicant has previous driving
2 history with a Department of Transportation regulated
3 employer during the preceding three years, it is required
4 for the carrier to investigate that.

5 Q When you reviewed Pacific Northwest Moving &
6 Delivery's records, did you determine whether they
7 investigated their driver's performance history as
8 required?

9 A Yes.

10 Q Did they do that for all their drivers?

11 A No, they did not.

12 Q Okay. How many drivers did the company fail to
13 investigate their performance history?

14 A Three.

15 Q All right. When you review a carrier's driver
16 qualification files, do you look to see whether a carrier
17 has maintained road test certificates in the driver's
18 qualification files?

19 A Yes.

20 Q Okay. What is the road test certificate?

21 A A road test certificate is testing the driver's
22 ability to operate the vehicles that the company has,
23 that they're currently operating. And they do that on a
24 road test form.

25 And then the second part of that would be to

1 certify the driver that they are cleared to drive. So
2 it's kind of a two-part process.

3 Q Did you look for road test certificates in PNW
4 Moving & Delivery's driver qualification files?

5 A Yes.

6 Q And were there any files that were missing the
7 road test certificates?

8 A Yes.

9 Q How many were missing?

10 A Three.

11 Q And has the company had previous violations of
12 that requirement related to road test certificates?

13 A Yes.

14 Q And when were those previous violations?

15 A The 2022 safety investigation.

16 Q And when you're reviewing a carrier's driver
17 qualification files, do you also look to see whether a
18 carrier has maintained responses from each state agency
19 for the annual driver record inquiry?

20 A Yes.

21 Q What are you looking for with this requirement?

22 A I'm looking to see if the carrier maintained
23 the annual driver abstract in the driver qualification
24 file.

25 Q Did you look for these state agency responses

1 in PNW Moving & Delivery's driver qualification files?

2 A Yes.

3 Q Were there any that were missing?

4 A Yes.

5 Q How many were missing?

6 A One.

7 Q When you are reviewing a carrier's driver
8 qualification files, do you also look to see whether the
9 carrier has maintained a record of annual review of the
10 driver's driving record?

11 A Yes.

12 Q What are you looking for with this requirement?

13 A For this requirement, is -- I'm looking to see
14 if the carrier has verified if the company maintained a
15 note in the driver qualification file to -- directly
16 related to the annual review of the driver's MVR; that
17 they've reviewed that as required.

18 Q Did you review PNW Moving & Delivery's files
19 for these annual reviews of the driver's driving record?

20 A Yes.

21 Q And were any of those missing?

22 A Yes.

23 Q How many were missing?

24 A (Inaudible).

25 Q Sorry. I didn't catch that.

1 A There were two missing.

2 Q Thank you.

3 Okay. I'm going to turn now to requirements
4 related to the use of seat belts. As part of a safety
5 investigation, do you review whether a carrier is meeting
6 requirements related to the use of seat belts in
7 commercial motor vehicles?

8 A I will access the FMCSA documented roadside
9 inspections for the carrier in the last 365 days to
10 determine if any violation of local laws or ordinances
11 has been violated, which may include a seat belt
12 violation.

13 Q And that database you said, can you just
14 describe that a little bit and how that's used?

15 A Sure. The FMCSA portal provides documentation
16 for roadside inspections for the carrier. And it will
17 allow us to review those roadside inspections for such
18 local laws and ordinances being violated.

19 Q Okay. And did you review those roadside
20 inspections, any that existed for Pacific Northwest
21 Moving & Delivery as part of your review?

22 A Yes.

23 Q And what did you find when you reviewed that?

24 A The roadside inspections that Washington State
25 Patrol Officers identified, there were two violations for

1 operating a property-carrying CMV with the passenger not
2 properly restrained using a seat belt.

3 Q And so you said there were two instances that
4 were recorded?

5 A Yes. There were two cited violations reported,
6 yes.

7 Q Okay. Turning to motor vehicle inspections
8 now, can you describe what records a household goods
9 carrier is required to maintain of any vehicle
10 inspections?

11 A All roadside inspections must be retained for a
12 period of 12 years from the date of inspection in the
13 event of an audit.

14 Q And so is this a form that the carrier has to
15 maintain?

16 A Yes.

17 Q For roadside inspection?

18 A Yes.

19 Q Okay. And when you were doing your safety
20 investigation, you were -- are you reviewing whether the
21 carrier has maintained those roadside inspection forms
22 properly?

23 A Yes.

24 Q Did you review PNW Moving & Delivery's records
25 to see whether it had maintained completed roadside

1 inspection forms?

2 A Yes.

3 Q What did you find when you did that review?

4 A That the roadside inspections were not
5 maintained. The carrier failed to maintain the completed
6 roadside inspections from the previous 12 months from the
7 date of inspection. The requirement is that they need to
8 keep those at the principal place of business, or the
9 PPOB. And three violations were discovered for not
10 having those roadside inspections, but two of them were
11 seat belt related.

12 Q So a total of three violations for that?

13 A Correct.

14 Q (Inaudible). Okay. All right.

15 What was the safety rating that resulted from
16 your review of the company in 2024?

17 A Conditional.

18 Q And did Mr. Satir cooperate with your
19 investigation?

20 A Yes, he did.

21 Q Did you ask him why repeated acute and critical
22 violation were allowed to occur?

23 A Yes, I did.

24 Q What was his response?

25 A Dmitriy Satir stated that he was busy, and that

1 he didn't have the money and didn't get around to fixing
2 the issues.

3 Q Okay. Finally I want to ask you about
4 something addressed in your 2024 compliance report, and
5 that's TC-3. In your report, you state that the company
6 was required to attend household goods training as part
7 of Docket TV-220134. Can you explain what was required
8 there regarding household goods training?

9 A Yes. Per Order 1 in Docket TV-220134, the
10 carrier was required to have all of its employees attend
11 the June, 2022 household goods training offered by the
12 UTC, either through the learning management system, LMS,
13 or the virtual live class, but no later than June of
14 2022.

15 Q Did you review any records to indicate whether
16 the company had completed the training as required?

17 A Yes. The LMS and virtual class roster was
18 reviewed for attendees. And although Satir registered
19 for the training, the carrier did not complete the
20 household goods training required by the order.

21 Q And did you discuss this required training with
22 Mr. Satir as part of your 2024 safety investigation?

23 A Yes, I did.

24 Q Did he give any reason why he did not complete
25 the training?

1 A He stated he was busy.

2 Q But he did acknowledge that he hadn't completed
3 it; is that correct?

4 A Yes. Mr. Satir was always very forthcoming and
5 did admit to being busy at that time.

6 ATTORNEY JONES: Thank you.

7 At this time, I have no further questions
8 of Investigator Cobile.

9 JUDGE THOMPSON: Okay. At this time,
10 Mr. Satir, you have the opportunity to cross-examine.
11 And so if you have any questions pertaining to the
12 testimony that was just given, you may now ask them. Do
13 you have any cross?

14 MR. SATIR: Cross examine meaning to kind
15 of, like, basically drill into the question, or what does
16 that mean?

17 JUDGE THOMPSON: Cross-examination is --
18 yes. It's your opportunity to ask questions of
19 Investigator Cobile regarding the testimony that she just
20 gave. And so if you have any questions pertaining to
21 that testimony, now would be the time to ask those.

22 If you have any statements to provide
23 regarding what she said, that would be more appropriate
24 during your time to present testimony and evidence.

25 So if you have any specific questions

1 regarding any of the violations, any of the testimony
2 that she just gave, now is the time to ask those
3 questions. But otherwise, we'll reserve any testimony by
4 you for later in the proceeding.

5 MR. SATIR: All right. Then I don't think
6 I have any questions. She came here and asked questions,
7 and she -- and I was upfront as I could be. And she did
8 her job at the end of the day, which that's it.

9 JUDGE THOMPSON: Okay. And I presume
10 there will be no redirect by staff. But staff, do you
11 have any redirect?

12 ATTORNEY JONES: No, your Honor.

13 JUDGE THOMPSON: Okay. I do have a couple
14 of questions regarding a couple of items that you
15 testified to. In Exhibit TC-3,
16 in the complaint, you've noted the violation of 392.16(b)
17 that we just heard discussion of regarding the seat belt
18 violations; specifically a passenger not wearing a seat
19 belt properly. Do you know what violation I'm speaking
20 of?

21 THE WITNESS: Yes, your Honor.

22 JUDGE THOMPSON: Okay. And we heard you
23 state that you obtained that information from the FMCSA
24 portal. Which agency reported that violation, do you
25 know?

1 THE WITNESS: Yes. Washington State
2 Patrol.

3 JUDGE THOMPSON: Okay. And do you know if
4 the company was cited for that violation?

5 THE WITNESS: They were.

6 JUDGE THOMPSON: Okay. Do you know if
7 they paid for that citation?

8 THE WITNESS: I do not.

9 THE ARBITRATOR: Okay.

10 MR. SATIR: Is it okay for me to ask a
11 question?

12 JUDGE THOMPSON: Does it pertain to this
13 witness? Or does it pertain to the violation itself?

14 MR. SATIR: I'm not sure. I guess the
15 violation itself.

16 JUDGE THOMPSON: Let's go ahead and hold
17 that question, then.

18 MR. SATIR: Okay.

19 JUDGE THOMPSON: And you can go ahead and
20 explain. And I'll ask you the same question when it
21 comes time for your testimony.

22 MR. SATIR: Okay.

23 JUDGE THOMPSON: Okay. Great.

24 Let's see. I do have another question
25 regarding proof of insurance submitted. And I just want

1 to clarify this for the record.

2 So I heard you say that after the
3 company's permit was canceled in April of 2023, they
4 submitted proof of insurance on May 12 of 2023. Was that
5 -- do I understand it correctly that that proof of
6 insurance was only for one vehicle of the four that the
7 company was operating?

8 THE WITNESS Yes, your Honor.

9 JUDGE THOMPSON: Okay. And the company
10 has been operating under that insurance for one vehicle
11 since that date, or since they were reinstated?

12 THE WITNESS: Yes, your Honor.

13 JUDGE THOMPSON: Okay. And just a couple
14 of specifics. There were 45 times that the company
15 operated without a permit between April 20 and
16 reinstatement. Do you know or happen to know how many of
17 those instances occurred prior to May 12 and after May
18 12? Was it spread?

19 Let me rephrase the question. Were the
20 violations spread throughout the period fairly evenly?

21 If you don't have any recollection, that's
22 okay.

23 THE WITNESS: I was taking a moment to
24 look at TC- -- Exhibit TC-3. In reference to your
25 question -- give me one second to look through here.

1 So if I understand your question
2 correctly, during the unpermitted time frame, you're
3 asking if the times of operation were equally conducted
4 throughout the months of April, May, and June?

5 JUDGE THOMPSON: Correct.

6 THE WITNESS: So if you look at TC- --
7 Exhibit TC-3, you're going to see the final report. It's
8 going to indicate Violation 16 or primary RCW
9 81.80.075(1). And it shows the months, April, May and
10 June, and the dates that the carrier operated to equal
11 the 45 days.

12 In direct answer to your question, yes, it
13 looks like as though those are equally spaced, with May
14 outnumbering the other months. But there were nine
15 occasions in April, 25 occasions in May, and 11
16 indications in June.

17 JUDGE THOMPSON: And that's on page 9 of
18 26 of Exhibit TC-3? Is that --

19 THE WITNESS Yes, your Honor.

20 JUDGE THOMPSON: Okay. Thank you. Those
21 are all the questions that I have at this time.

22 Barring any further questions for this
23 witness, Ms. Coble, I think you can step down.

24 THE WITNESS: Thank you very much.

25 JUDGE THOMPSON: Okay. Ms. Jones, do you

1 have another witness?

2 ATTORNEY JONES: I do, your Honor. My
3 next witness will be Jason Sharp.

4 JUDGE THOMPSON: And I see Mr. Sharp on
5 the screen.

6 Mr. Sharp, if you could please raise your
7 right hand. Do you swear or affirm that the testimony
8 you will give today will be the truth, the whole truth,
9 and nothing but the truth?

10 THE WITNESS: Yes.

11 JUDGE THOMPSON: Okay. Wonderful.
12 Ms. Jones, you may proceed.

13 ATTORNEY JONES: Thank you.

14

15 JASON SHARP, witness herein, having been first
16 duly sworn on oath, was examined and
17 testified as follows:

18

19 EXAMINATION

20 BY ATTORNEY JONES:

21 Q Mr. Sharp, would you please state your name and
22 spell it for the record.

23 A Jason Sharp, S-H-A-R-P.

24 Q How are you employed?

25 A I'm employed by the Washington Utilities and

1 Transportation Commission.

2 Q And what position do you hold with the
3 commission?

4 A Can you hear me?

5 Q I can hear you now, yes.

6 A Let's see. Can you hear me?

7 Q Yes, can you hear me?

8 A Sometimes I unfortunately get a glitch with my
9 Zoom. So hopefully this is the first time it's happened
10 on the call. So can you speak? I want to make sure I
11 can hear you.

12 Q Yes.

13 A Okay. I can hear you again.

14 Q Great. Okay. I was just asking what position
15 you hold at the commission?

16 A I'm the motor carrier safety supervisor.

17 Q How long have you worked for the commission?

18 A I'm in my seventh year with the commission now.

19 Q And can you describe your duties as motor
20 carrier safety supervisor?

21 A Yes. I assign the safety investigations to our
22 safety investigators like Investigator Cobile.

23 I review the investigative reports that they
24 produce as a result of their investigations.

25 And I provide staff recommendation to the

1 commission for any type of follow-up or enforcement
2 action of the findings.

3 Q Have you had any training to enable you to
4 carry out your duties?

5 A Yes. Prior to coming into my current position,
6 I was a motor carrier safety investigator with the UTC.
7 I underwent investigator training put on through the
8 Federal Motor Carrier Safety Administration.

9 And I'm also certified to conduct commercial
10 vehicle inspections through the Commercial Vehicle Safety
11 Alliance, or the CVSA.

12 Q Are you therefore familiar with state and
13 federal rules governing operations of motor carriers and
14 household goods carriers?

15 A Yes, I am.

16 Q Are you familiar with the company PNW Moving &
17 Delivery?

18 A Yes.

19 Q How did you become familiar with the company?

20 A Initially I became aware of the company when I
21 was a senior investigator coaching Investigator Bilbrey
22 on the company's initial 2020 safety investigation. I
23 reviewed that report and the two following investigation
24 reports, as well as reviewed and provided staff
25 recommendations on the company's previous two safety

1 management plans that they submitted as a result of those
2 2020 and 2022 investigations.

3 Q Do you know when the company first received its
4 provisional operating authority?

5 A Yes. The company was initially issued
6 (inaudible) --

7 Q Mr. Sharp, couldn't hear that.

8 A Apologies. Can you hear me now?

9 Q Yes.

10 A February 28, 2017.

11 Q Okay. So February 28, 2017, was when the
12 company received provisional status?

13 A They got their initial provisional permit, yes.

14 Q And in general, how long is a company's
15 provisional status intended to -- what's the expected
16 duration of a company's provisional status?

17 A The provisional period should be no less than
18 six months but not more than 18 months, unless the
19 commission determines that good cause exists for
20 extending a company's provisional period of time.

21 Q Did you review the report drafted by
22 Investigator Cobile after its 2024 review?

23 And this is the Exhibit marked TC-3.

24 A Yes.

25 Q Okay. Does staff use the results of a

1 compliance review to calculate a proposed safety rating
2 for a company?

3 A Yes.

4 Q How does staff calculate the proposed safety
5 rating?

6 A The UTC adopts the Federal Motor Carrier Safety
7 Administration's safety rating methodology as its lined
8 out in Title 49, Part 385.

9 So a safety rating is determined by a company's
10 performance in six different factor categories, which are
11 on the final two pages of TC-3. It lines out the
12 performance of each factor. And so there's a calculation
13 that is done based on how many critical violations or
14 acute violations that would negatively impact a company's
15 overall safety score, and each factor is calculated to
16 determine a proposed overall rating.

17 Q Did staff calculate a proposed safety rating
18 for PNW Moving & Delivery?

19 A Yes.

20 Q What was the proposed safety rating?

21 A It was a proposed conditional safety rating.

22 Q Can a carrier improve its proposed safety
23 rating after receiving either an unsatisfactory or
24 conditional rating?

25 A Yes.

1 Q How would it do so?

2 A They would do so by submitting and having
3 approved a safety management plan.

4 Q What is a safety management plan?

5 A A safety management plan is a company's written
6 response to identified safety deficiencies. The plan is
7 structured so that the company will identify why
8 violations were allowed to occur. It would state what
9 the company has done to correct the violations and
10 outline and document how the company will prevent
11 occurrences of those violations in the future.

12 A supporting element of a safety management
13 plan would be including evidence of actual corrective
14 action. So for example, if a company was found to not
15 require their drivers to do a record of duty status, they
16 would include those records and their safety plan showing
17 that they've corrected it.

18 Q Did PNW Moving & Delivery submit a safety
19 management plan regarding this case?

20 A Yes, they did.

21 Q Did you review the plan that the company
22 submitted?

23 A Yes, I did.

24 Q Is the plan satisfactory to staff?

25 A No, staff has not accepted the plan.

1 Q And why -- could you just generally describe
2 why that is the case?

3 A Yeah. The plan has not met the legal
4 requirements as laid out in Part 385.

5 I've received two renditions of the safety plan
6 from the company and have responded to them with detail
7 as to where it is deficient. I would say that the
8 company is making substantial progress towards correcting
9 the violations identified in the plan, but there's still
10 more work to do.

11 Q And prior to this case, this docket, has the
12 company ever had safety management plans approved in the
13 past?

14 A Yes. They've had two previous plans approved.

15 Q Okay. I'd like to turn your attention to
16 staff's exhibit marked JS-1. Can you identify that
17 exhibit?

18 A This is the company's 2020 safety management
19 plan.

20 Q Okay. And are there any redactions in that
21 document?

22 A There are some personally identifiable
23 information that's been removed for record purposes here
24 in the docket. But that appears to be all that has been
25 redacted.

1 Q And other than those redactions of personally
2 identifiable information, is this exhibit a true and
3 accurate copy of the safety management plan that was
4 submitted by the company to staff related to the Docket
5 200421 and 200429?

6 A Yes.

7 Q At this time, staff moves to admit staff
8 Exhibit JS-1.

9 JUDGE THOMPSON: Mr. Satir, do you have
10 any objection?

11 MR. SATIR: No. Not at this time.

12 JUDGE THOMPSON: Thank you.

13 At this time, Staff Exhibit JS-1 is
14 admitted into the record.

15 Ms. Jones you may proceed.

16 (Staff Exhibit JS-1 admitted).

17 ATTORNEY JONES: Thank you.

18 Q (By Attorney Jones) Now I'd like to refer your
19 attention to staff's exhibit marked JS-2. Can you
20 identify that exhibit?

21 A Yes. This is the safety plan -- safety
22 management plan that was submitted following the 2022
23 safety investigation.

24 Q And does this exhibit also contain redactions
25 of personally identifiable information?

1 A I'm reviewing. Yes, it does.

2 Q Okay. And other than those redactions, is this
3 exhibit a true and accurate copy of the safety management
4 plan that was submitted by the company to staff related
5 to Docket TV-220133 and 220134?

6 A Yes.

7 ATTORNEY JONES: Staff moves to admit
8 Staff's Exhibit JS-2.

9 JUDGE THOMPSON: Mr. Satir, any
10 objection?

11 MR. SATIR: No objection.

12 JUDGE THOMPSON: Okay. At this time,
13 Staff's Exhibit JS-2 is admitted into the record.

14 (Staff Exhibit JS-2 admitted).

15 JUDGE THOMPSON: You may proceed.

16 Q (By Attorney Jones) Is the fact that the
17 company has entered into two previous safety management
18 plans a factor in your recommendation to the commission
19 in this docket?

20 A It does play a role in staff's overall
21 recommendation that we'll get to.

22 You know, following the two previous
23 investigations, acknowledging that the company has
24 repeated violations, especially of critical and acute
25 violations, with prior technical assistance and

1 acknowledgement and committed to practices, they appear
2 to have not been kept up with as a result of our
3 findings.

4 In this case, staff would have a hard time
5 feeling confident that the company with any subsequent
6 safety management plan would stick to those commitments
7 either.

8 So that performance does factor into how staff
9 feels about this case.

10 Q Thank you.

11 I'd like to ask you a couple questions about
12 Order 01 from a previous docket we've been discussing
13 today. And I'll just note within my question, I'm
14 referring to Docket 220133 and 220134, consolidated.

15 So referring to -- are you familiar with the
16 commission's Order 01 in that docket?

17 A Yes.

18 Q And can you generally describe what that order
19 does?

20 A Order 01 approved PNW Moving's safety
21 management plan following the 2022 investigation. It
22 extended the company's provisional period, and it
23 mitigated a portion of the assessed penalty against the
24 company.

25 With the element of extending the provisional

1 period, there were some conditions that were set and
2 which the company needed to abide by, and if the company
3 failed to meet any of those conditions, it could
4 constitute grounds for a cancellation of the company's
5 permit moving forward.

6 Q And what were those conditions?

7 A One of them Investigator Cobile already hit on
8 was that PNW Moving send all of its employees to
9 commission-sponsored training. And that would be done
10 either through the commission's online learning system or
11 through the live presentation of the virtual training
12 that's provided by staff. There was a deadline of that,
13 June 15, 2022.

14 Another condition was that staff would come and
15 perform a follow-up safety investigation in one year from
16 the date of the Order 01 or as soon thereafter as
17 practicable.

18 As a result of that safety investigation, PNW
19 must obtain a satisfactory safety rating following the
20 investigation.

21 Upon reinspection, PNW Moving may not repeat
22 any violations of any acute, critical, or critical type
23 regulations.

24 The company must get current with any annual
25 regulatory fees and penalties as a result of late report

1 filings by June 30 of 2022; PNW Moving pay its assessed
2 penalty through a mutually agreeable payment arrangement
3 approved by staff. The payments must be made by the
4 specified date in the payment arrangement unless approved
5 by staff prior to the established deadline.

6 And again, failing to meet any of these
7 conditions would constitute grounds for cancellation of
8 the company's provisional permit.

9 Q And to your knowledge, is the company out of
10 compliance with any of those conditions that you just
11 outlined?

12 A Yes. I believe the company failed to meet four
13 of those conditions.

14 Q And what are those conditions that the company
15 failed to meet?

16 A As Investigator Cobile testified to, our
17 commission records show that the owner had registered for
18 commission-sponsored training, but failed to complete it.

19 Additionally, the company has failed to send
20 all of its remaining employees to commission-sponsored
21 training, let alone by the deadline of June 15 of 2022.

22 The company did not obtain a satisfactory
23 rating during the third safety investigation.

24 The company incurred repeat acute, critical,
25 and critical type violations upon reinspection.

1 And the company did not pay its assessed
2 penalty in accordance with the payment arrangement. That
3 payment plan was canceled on March 21 after the company
4 missed multiple payments.

5 Q And regarding the repeat acute, critical, and
6 critical type violations, which ones of those were
7 repeated in the 2024 investigation?

8 A Right. So the WAC 480-15-555 -- or I'm sorry;
9 555 was a repeat of all three investigations. It was the
10 critical type.

11 The company had a repeat violation of
12 480-15-550 for operating commercial vehicles without
13 cargo insurance.

14 There was a critical violation repeated,
15 395.8(a)(1) for failing to require drivers to prepare a
16 record of duty status using the appropriate method.

17 Additional critical type violation that was
18 identified was failing to maintain a vehicle maintenance
19 file, which is coded as 396.3(b).

20 Those are the only acute, critical, and
21 critical types that were repeated, although the company
22 did have other repeat violations.

23 Q Okay. I'd like to turn now to discuss the
24 issue of penalties and if staff has a recommendation on
25 penalties.

1 So does staff have any recommendation about
2 whether the commission should assess penalties against
3 PNW Moving & Delivery for those violations that have been
4 documented by Investigator Cobile?

5 A Yes. Staff would recommend that -- or staff
6 will file a complaint for penalties as a result of
7 identified violations.

8 Q Okay. What is staff's recommendation regarding
9 penalties in this case?

10 A How would -- would you like me to go violation
11 by violation, or subtotal, or what would you prefer?

12 Q I would say violation by violation, just so the
13 -- so the commission has a record on what staff's
14 recommendation is for each violation.

15 A Okay. So for -- I'm going to start off with
16 the WAC violations, the acutes. So for WAC 480-15-530,
17 this were 129 occurrences of this acute violation that
18 staff identified. Staff's going to recommend a \$500 per
19 occurrence penalty, which totals \$64,500 for the repeat
20 acute violations for operating without cargo insurance.

21 I'm sorry. That was for -- I think I got that
22 backwards. I think 530 is liability. I'm reading off my
23 notes here. Let me pull up the right response here. I
24 want to make sure I get this right.

25 I'm sorry. That should have been for 550. So

1 480-15-550 for repeat violations of operating without
2 having the adequate cargo insurance.

3 Now I will pivot to 480-15-530. This is not a
4 repeat violation. However, staff is going to recommend a
5 \$100 per occurrence of 129 occurrences for operating a
6 motor vehicle without having in effect the required
7 minimum levels of financial responsibility coverage for
8 12,900.

9 For violations of WAC 480-15-550, this is a
10 repeat critical type violation that's been present in all
11 three violations. Staff is going to recommend a \$500 per
12 occurrence of 11 occurrences for \$5,500.

13 Again, a repeat from all three of the company's
14 investigations, the critical violations of Title 49
15 C.F.R. Part 395.8(a)(1), for failing to require drivers
16 to prepare a record of duty status using the appropriate
17 methods. Staff's going to recommend a \$500 per
18 occurrence of 61 occurrences for \$30,500.

19 The next several are going to be for \$100
20 recommendations. So for 49 C.F.R 396.3(b), which is
21 failing to maintain a vehicle maintenance file, staff is
22 going to recommend a \$100 penalty for this critical type
23 repeat violation. The company had this same violation in
24 the 2020 investigation, but with one count was not
25 penalized for it. This time we're going to recommend a

1 penalty, as it's a repeat.

2 49 C.F.R. Part 391.51(b)(3), staff is going to
3 recommend a \$100 penalty for this repeat violation for
4 failing to maintain a road test certificate in the
5 driver's qualification file.

6 The next one is for 49 C.F.R. Part
7 391.51(b)(4). Staff's going to recommend a \$100 penalty
8 for the repeat violation for failing to maintain the
9 response of each state agency to the annual driver record
10 inquiry required by 391.25(a).

11 Next one is for 49 C.F.R. Part 391.21(a).
12 Staff is going to recommend a \$100 violation for repeat
13 violation of failing to require driver to complete and
14 furnish an employment application.

15 Additionally, 49 C.F.R Part 390.19(b)(2), staff
16 is recommending a \$100 penalty for repeat violation of
17 failing to file the appropriate form under 390.19(a),
18 which is the MCS-150 violation.

19 Additionally, and finally, is the penalty
20 recommendation for operating while not permitted by the
21 commission, a violation of RCW 81.80.7501. Staff is
22 going to recommend the maximum allowable penalty of
23 \$5,000 per occurrence of 45 occurrences, for a total of
24 225,000.

25 Staff considers that the company has a history

1 of operating while not maintaining its permit through the
2 commission back in 2018, following cancellation for
3 failing to have insurance on file. The company was
4 classified in Docket TV-180214 for operating following
5 the cancellation for no insurance.

6 Following the company's cancellation in 2023,
7 where our staff just documented 45 instances in between
8 the period in which the company was canceled and when it
9 was granted operating authority through the commission
10 again where they continued to operate.

11 And staff believes that this penalty is
12 appropriate to encourage the company to conform to
13 commission orders and cease and desist requirements.

14 I also float that the company still does have
15 the \$9,800 suspended penalty from the previous docket in
16 2022 that is now payable and due.

17 I think that's what we -- yes. That's our
18 recommendation. So the total would come out to minus the
19 -- what the company currently owes is \$338,900.

20 Q Does staff have any recommendation related to
21 what the commission should do with this penalty if it
22 determines that the company's permit should be canceled?

23 A Yes. Staff would recommend that upon
24 cancellation, that the penalty, including the \$9,800
25 penalty, be suspended in its entirety for two years.

1 The goal here for staff is to hold the company
2 accountable. If the commission decides to cancel their
3 permit, that they're -- the company is not going to
4 continue its prior practices of operating in this
5 regulated industry without authority to do so.

6 We've identified that there's safety gaps in
7 the company's performance while they're not regulated,
8 such as they're not carrying appropriate insurance
9 requirements on the vehicles they're operating.

10 There are other elements of qualifications and
11 insuring that people are cleared via background checks to
12 operate in this industry.

13 There's a lot of consumer protection concerns
14 as well as on-the-road safety concerns.

15 There's a lot in this record today that we've
16 reviewed that are very concerning to staff.

17 That's -- you know, we recognize this penalty
18 is large. And our intent is to encourage the company to
19 abide by commission rules and orders, and we find that
20 this is an effective recommendation to do so.

21 Q Does staff have any further reasons underlying
22 its penalty recommendation that you haven't already
23 expanded upon?

24 A No.

25 Q And do you have a position -- excuse me. Do

1 you have an overall recommendation for the commission on
2 whether it should cancel the company's permit?

3 A Yes. Staff is recommending that regardless of
4 any -- you know, I testified that the company is making
5 progress towards meeting the legal requirements of Part
6 385 in its submissions of its safety plan. Based on the
7 company's performance following the last two approved
8 safety plans, staff does not have confidence that the
9 company will stick to its commitments for what it lays
10 out in the process. If they had, they wouldn't be here
11 today. Our recommendation is that the commission cancel
12 their permit.

13 ATTORNEY JONES: Thank you.

14 At this time, I have no further questions
15 for Mr. Sharp.

16 JUDGE THOMPSON: Mr. Satir, do you have
17 any cross-examination for Mr. Sharp?

18 MR. SATIR: I don't -- I -- so safety,
19 even a safety management plan, if we come to an agreement
20 on that, it will not be accepted; is that the point that
21 you made? I'm sorry.

22 JUDGE THOMPSON: The safety management
23 plan, as I understand it, can still be completed, and
24 staff will issue a recommendation according to that
25 completed safety management plan in writing to the

1 commission, to me.

2 Ultimately, that decision will come down
3 to an order, which I will write following this proceeding
4 and that submission of the recommendation upon the
5 completion of the safety management plan.

6 And so staff can't testify, really, to
7 whether or not that is sufficient. They can only give
8 their recommendation.

9 I will give Mr. Sharp the opportunity to
10 answer the question regarding the safety management plan.
11 And perhaps, Mr. Sharp, you can elaborate on whether or
12 not staff's recommendation might change based on
13 completion of a safety management plan.

14 But to the rest, I don't think that
15 Mr. Sharp can answer.

16 MR. SATIR: Okay.

17 THE WITNESS: Yes. I'll continue to
18 review any submissions. The company's 60-day window for
19 cancellation ends on May 11, I believe. And as such,
20 we'll continue to provide technical assistance and review
21 of any submitted plans in order to determine if the plan
22 meets the legal requirement.

23 As I just testified, though, staff is of
24 the position right now that the company has demonstrated
25 through three investigations now that it doesn't follow

1 through on its commitments in its safety plans. And the
2 company doesn't appear to be making substantial progress
3 towards obtaining a satisfactory rating.

4 So what I will do representing staff is
5 continue to work with you on the submitted drafts. I
6 will notify the commission if the plan meets the legal
7 requirements as laid out.

8 But as far as, like, what staff can do,
9 like the judge said, we just provide the recommendation
10 as part of that review.

11 MR. SATIR: I understand. Thank you for
12 the clarification.

13 THE WITNESS: Yes.

14 JUDGE THOMPSON: Mr. Satir, do you have
15 any followup questions?

16 MR. SATIR: No.

17 JUDGE THOMPSON: Okay. And Ms. Jones, do
18 you have any redirect?

19 ATTORNEY JONES: I do not. Thank you.

20 JUDGE THOMPSON: Okay. Mr. Sharp, I would
21 just ask that the penalty recommendation be submitted in
22 writing as well as any subsequent recommendation on the
23 safety management plan so that I have that in preparing
24 the order. And I do not believe I have any further
25 questions for you. So at this time, do you have

1 something else to say?

2 THE WITNESS: Please. Do you have a deadline
3 that you would like that submitted to the docket?

4 JUDGE THOMPSON: I think that's a little
5 bit dependent on whether or not the safety management
6 plan gets completed.

7 The order in this proceeding is required
8 to be issued ten days after the proceeding. However, if
9 we do have a safety management plan submitted and a
10 recommendation on that safety management plan, I'll ask
11 that the parties waive that ten-day requirement so that I
12 can get the transcript of this proceeding, review the
13 recommendation, and issue an order at that time.

14 It sounds like a safety management plan is
15 in the works. And so I think we should sort of assume
16 that is the case and that any completion of the safety
17 management plan and recommendation would be submitted
18 before the cancellation date of May 11. Does that work
19 for staff?

20 THE WITNESS: Yes. I think in this case,
21 finding an opportune time to give staff time to draft the
22 evaluation would be helpful.

23 In similar cases in the past -- I see that
24 May 11 falls on a Saturday. If -- and the reason I ask
25 this is the company may continue to submit and submit and

1 submit drafts if they're not accepted. And so it's good
2 to give us an opportunity to review, draft, and submit to
3 the docket prior to that date.

4 So I would maybe request the final SMP for
5 this period be due by end of business on the 9th, which
6 is a Thursday, allowing staff Friday to draft its
7 response and submit it to the docket.

8 JUDGE THOMPSON: Okay. Mr. Satir, do you
9 have any problem with completing the SMP by May 9?

10 MR. SATIR: No.

11 JUDGE THOMPSON: Okay. We will go ahead
12 and proceed and expect that the final SMP will be
13 submitted by close of business May 9, giving staff time
14 on the 10th to submit any recommendation. And that is
15 the schedule that we'll operate under.

16 If I don't see -- what I'll do is I'll
17 reach out to the parties on the 10th to see if the
18 completed SMP has been submitted and whether or not staff
19 intends to file a recommendation on the 10th. And based
20 upon that answer, I'll go ahead and proceed accordingly.

21 Okay. Any other questions, Mr. Sharp, for
22 me?

23 THE WITNESS: No, your Honor.

24 JUDGE THOMPSON: Okay. Wonderful. At
25 this time, having heard from the parties, I believe you

1 can step down.

2 Okay. Ms. Jones, does that conclude
3 staff's witnesses and exhibits and testimony?

4 ATTORNEY JONES: Yes, your Honor.

5 JUDGE THOMPSON: Okay. Mr. Satir, at this
6 point in time -- well, first let me ask this: We've been
7 going for about two hours now. Does anybody need a brief
8 recess before we proceed, or would the parties prefer to
9 continue on?

10 ATTORNEY JONES: I'm fine continuing, your
11 Honor.

12 JUDGE THOMPSON: Okay. Mr. Satir, do you
13 need a brief recess?

14 MR. SATIR: No. I'm okay.

15 JUDGE THOMPSON: Okay. We'll go ahead and
16 proceed, then. At this point in time, Mr. Satir, you can
17 go ahead and present any evidence or testimony that you
18 might have. Before doing so, I will ask, do you have the
19 ability to turn on your camera?

20 MR. SATIR: Yes, I do.

21 JUDGE THOMPSON: Okay.

22 MR. SATIR: Is it on?

23 JUDGE THOMPSON: It is.

24 MR. SATIR: Okay.

25 JUDGE THOMPSON: Okay. At this time, I'll

1 Go ahead and ask that you raise your right hand, and I'll
2 swear you in.

3 Do you swear or affirm that the testimony
4 you will give today will be the truth, the whole truth,
5 and nothing but the truth?

6 MR. SATIR: Yes.

7 JUDGE THOMPSON: Okay. You are now sworn
8 in, and you may proceed and present any testimony or
9 evidence that you have.

10

11 DIMITRIY SATIR, witness herein, having been
12 first duly sworn on oath,
13 testified as follows:

14

15 NARRATIVE TESTIMONY

16 THE WITNESS: The testimony is I'm working
17 on the safety management plan with Jason to get that all
18 cleared up and to satisfactory as needed. And I'll
19 continue working with him, with that.

20 To this point, I was basically keeping the
21 business just to get this going, the business, and I did
22 not pay attention to the legal side of things.

23 And at the moment, I am going to stop
24 pursuing to grow the business of any kind in the next
25 year or two until I get the legal paperwork corrected.

1 Right now, we do -- so the insurance
2 company that was only -- we filed for trying to get
3 insurance with multiple carriers last year, like
4 Berkshire Hathaway, Progressive, Transguard, other
5 companies as well. I just can't remember all of them.
6 And no one would insure us.

7 And the only one we could find was Prime,
8 which was predatory kind of insurance. And this is why
9 it's not on the UTC recommended list or vendors approved
10 list. So we didn't know that until we got the policy and
11 I paid the down payment on that and everything. So we
12 couldn't step back and kind of get our money back when
13 the business was struggling with that.

14 So -- and I was not able to afford to pay
15 -- I can't recall right now. For one of the trucks, they
16 quoted us right around \$30,000. And if we had three
17 trucks, we would be out of business within -- we wouldn't
18 be able to make the needed payments on that.

19 So -- and at the moment for this year, we
20 rewrote the policy with Berkshire Hathaway. And this one
21 includes the three trucks and all the necessary filings
22 and everything, which is a lot more cost and able to be
23 actually delivered. We're able to pay the payments on
24 that, for the company to have cargo insurance and
25 liability insurance that is required by the state to

1 have. And that is good for -- the down payment was made
2 on the 26th of April, which was \$9,000, and it's a
3 monthly payment of 3,800 with some change. 3,800. And
4 this includes the three trucks that we have right now
5 through Enterprise.

6 And we do not intend to, but if we do
7 lease a truck, Berkshire Hathaway also required to us do
8 30 days; no short-term leasing less than 30 days, as well
9 as they have to be written in the policy for it. And
10 they will grant us insurance if we need it for the short
11 period of time. Let's just say if we lease the truck for
12 three months, they will insure it for three months. They
13 approved that. So that's with the insurance right now.

14 And the background checks, that's the other
15 issue that was discussed. When I hired someone from the
16 community, I did not do my due diligence to make sure the
17 paperwork is due, and I take full charge of that. And
18 I'm writing an SMP plan, safety management plan, for
19 that.

20 And working through all the other issues
21 at the moment, I think those are the few things that I
22 wanted to present, especially with the insurance, where
23 it stands.

24 JUDGE THOMPSON: Okay. Does staff have
25 any cross-examination?

1 ATTORNEY JONES: I don't have any
2 questions for the company, your Honor.

3 JUDGE THOMPSON: Okay. I do have a couple
4 of questions.

5 So earlier, you interjected and said that
6 you would like to speak about the seat belt violations.
7 I'd like to give you an opportunity now to address that.
8 And what did you have to say about the seat belt
9 violation?

10 THE WITNESS So the seat belt violation, I
11 just wanted to interject and ask, because I wasn't aware,
12 was the company fined too, or the person, the passenger
13 that was in there?

14 And I wasn't aware that the company was
15 fined for that, if that's the case. (Inaudible).

16 JUDGE THOMPSON: So to your knowledge, the
17 company was not cited for that seat belt violation?

18 THE WITNESS: To my knowledge. I know
19 that the passenger did get this (inaudible), and we got a
20 report from that. Not to my knowledge.

21 JUDGE THOMPSON: Okay. Let me ask you
22 this: Looking at Staff's exhibits, TC-1, TC-2, and TC-3,
23 I see that your company has doubled in size just about
24 every two years. So every single time staff does an
25 inspection, it looks like the company, at least the

1 revenue of the company, has doubled in size. Is that
2 about accurate?

3 THE WITNESS: More or less. Yes. So last
4 one didn't double as much, but yes. The growth was there
5 with the COVID. It was interesting. And then to come
6 back from it was also a whole different story as well.

7 JUDGE THOMPSON: Okay. Has the growth of
8 the company impacted your ability to keep up with
9 paperwork and compliance?

10 THE WITNESS Yes.

11 JUDGE THOMPSON: Go ahead and elaborate on
12 that, if you have any elaboration.

13 MR. SATIR: Just the same way as I
14 basically -- Tracy, when she did the investigation,
15 Cobile -- I'm pronouncing that incorrectly. When she did
16 the investigation and we discussed it, and she commended
17 me on saying keep trying, keep going for it, and
18 everything.

19 But one of the things I had explained to
20 her is the marketing. I had no previous experience on
21 marketing. And with anything, I read books, educated
22 myself to move the company forward to this point.

23 Then I've never hired people before. I'd
24 never been, unfortunately, employed more than two days
25 for anyone. I only worked for two days for someone. So

1 I had no prior experience on how to hire people, train
2 people, anything like that.

3 So I sat down, kind of educated myself
4 with everything, books. And at the same time, all this
5 information, I fell behind on the legal side of stuff.

6 JUDGE THOMPSON: And speaking of growth,
7 the insurance that you submitted last month, the
8 insurance documentation, you said it's for three
9 trucks?

10 THE WITNESS: Yes.

11 JUDGE THOMPSON: And when the
12 investigation occurred, you had four trucks?

13 THE WITNESS: So it was the investigation
14 -- she investigated a period of time. And some of the
15 time points, we did lease a fourth truck. At the time
16 when she investigated, we had three. But in that period
17 of six months, there was additional truck.

18 JUDGE THOMPSON: But right now, you only
19 have three?

20 THE WITNESS: Yeah.

21 JUDGE THOMPSON: And all three of those
22 are insured.

23 THE WITNESS: Yes.

24 JUDGE THOMPSON: Okay. You've got a
25 history of violations with the commission. Many of these

1 violations are repeat. Many of them have to do with not
2 keeping records that you are required to keep by law.

3 At the same time, as we've just discussed,
4 you've experienced significant growth in the company.

5 Have you considered hiring someone to handle
6 compliance for you, perhaps taking away, you know,
7 marketing expenses and moving towards hiring somebody to
8 handle compliance?

9 THE WITNESS: So at the moment, I don't
10 have anyone that I hired, am hiring for compliance.

11 And -- but I am hiring a coach to help me
12 take stuff off my plate and focus on the compliance, the
13 same thing as when Ms. Cobile investigated me,
14 recommended at this moment for me to know everything
15 that's going on in the company, especially with the
16 compliance, and that I need to be the one who is keeping
17 this up and going. And that's what I intend to do.

18 JUDGE THOMPSON: Are you one of the
19 drivers for the company?

20 THE WITNESS: Yes.

21 JUDGE THOMPSON: Okay. So you're driving,
22 doing moves, and taking care of the company?

23 THE WITNESS: Yeah. And unfortunately,
24 growth does suck in general, because there's not enough
25 money, and there's -- it's no secret that I'm behind on

1 my own, even personal bills. So I'm stepping back and
2 trying to dial back because this growth has taken a lot
3 more from me than I would like it to do.

4 JUDGE THOMPSON: You heard Mr. Sharp say
5 that staff doesn't have much confidence that anything
6 contained in an SMP in this docket will have
7 follow-through.

8 So do you have anything to state on behalf
9 of the company today regarding, you know, commitments or
10 changes that are occurring?

11 I've heard you say that you are hiring a
12 coach to look at taking things off your plate.

13 But I think what I hear Mr. Sharp say is
14 the company would need significant commitments or changes
15 to the way that it operates to persuade staff
16 differently. Do you have anything to say in regards to
17 that?

18 THE WITNESS: The big change that is
19 happening is the growth is not going to be pursued and
20 has not been able to be pursued for last -- starting this
21 year, we have not been able to even -- some of it was
22 matched, like one month, but we have not been able to
23 match what we did last year. We are now trying to focus
24 correcting (inaudible).

25 JUDGE THOMPSON: Okay. Okay. I don't

1 have any further questions.

2 At this point in time, I will give staff
3 an opportunity to provide a brief closing statement.
4 Would staff like to do so?

5

6 CLOSING ARGUMENTS BY COUNSEL FOR STAFF

7 ATTORNEY JONES: Yes, your Honor. Thank
8 you.

9 Very briefly, you've heard a lot of
10 testimony this morning from staff's witnesses,
11 Investigator Cobile and from Mr. Sharp, regarding the
12 factual basis for the complaint that's been filed in this
13 matter. So I won't go back and rehash all of that.

14 I'll just briefly summarize by saying that
15 staff's recommendation here is really supported by the
16 company's operational history over a period of, I think
17 nearly eight years that the company has been in business.
18 It's been the subject of three safety investigations, as
19 you've heard. And in each of those instances, the
20 company was offered technical assistance and was given
21 opportunity to correct -- take corrective action in the
22 form of the safety management plans. And those plans, as
23 Mr. Sharp testified, are an opportunity for the company
24 to explain how it has taken corrective action in regard
25 to each violation that was discovered, and that the --

1 that a company would be able to then follow those plans
2 and reduce the likelihood that they would have future
3 violations.

4 In this instance, the company has had two
5 prior safety management plans. And unfortunately, as you
6 heard in testimony today, the company has incurred repeat
7 violations from, you know, across those different plans;
8 some of them being acute violations as well as critical
9 violations that were repeated, and critical type
10 violations. And as Mr. Satir acknowledged, he hasn't
11 focused on the legal side of operating his business.

12 But I guess I would just stress to your
13 Honor that those legal requirements are there for a very
14 good reason, and that is that they're there to protect
15 the public. They're there to promote public safety.
16 Background checking employees, having adequate insurance,
17 these are things that have -- have been repeated by the
18 company.

19 And so staff is really basing its
20 recommendation in those matters, those repeated -- those
21 repeated violations as well as the new violations that
22 have cropped up in each one of these safety
23 investigations. So staff views this as a public safety
24 concern and is recommending a large fine, and that it be
25 suspended if the company's permit is canceled. And that

1 large fine, again, is rooted in the seriousness of the
2 violations and the fact that they were repeated over
3 time.

4 And with that, I'll conclude. Thank you.

5 JUDGE THOMPSON: Thank you. Mr. Satir, do
6 you have a closing statement that you would like to
7 provide?

8

9 CLOSING ARGUMENT BY PNW MOVING & DELIVERY

10 MR. SATIR: So yeah. I would like to
11 provide a statement. Even though on the legal paperwork
12 side of things, I have not been keeping up and
13 everything, we've serviced about 700 customers last year.

14 We held our Google review, or just review
15 online rating of at least 3.8, 3.9. So we have delivered
16 and carried out to the public really well moves and
17 everything. This is -- we have over 380 reviews. Right
18 now it's right around there. But let's just say at the
19 time, it was around 350, at the end of last year. And we
20 have delivered great service to our customers, to the
21 community.

22 I've employed and provided good working
23 experience to the guys. I don't have a turnaround of
24 guys that's that high. It's just normal. They're moving
25 on to the next job or in their career, moving on to the

1 next thing in their career.

2 So even though I have not be able to focus
3 on the legal side, we care about the customer. I've
4 taken care of customers. A simple example is the guys
5 moved a couch incorrectly and scraped it. The company
6 honored the customer and paid out a \$7,000 couch that we
7 just honored because we could have went back to say hey,
8 there's a (inaudible) thing that you signed. But no, we
9 decided to do that. And we have done that multiple
10 times, making sure we stand right by our customers. So I
11 want to include that in there.

12 JUDGE THOMPSON: Thank you. Thank you all
13 for your appearances and for presenting your cases today.

14 I will take all of this under advisement
15 and issue an order soon.

16 Before we adjourn, I'd like to request
17 that the parties waive the requirement to issue an order
18 in ten days. As I mentioned earlier, I'd like to have
19 the transcript available to me when writing the order in
20 this matter. And we usually receive that transcript
21 within seven to ten days. I'd anticipate issuing an
22 order shortly thereafter.

23 Does either party object to waiving that
24 requirement?

25 ATTORNEY JONES: No objection from staff.

1 MR. SATIR: No.

2 JUDGE THOMPSON: I heard no from both
3 parties.

4 Does either party have anything further
5 before we go off the record?

6 ATTORNEY JONES: Nothing further from
7 staff. Thank you.

8 MR. SATIR: No.

9 JUDGE THOMPSON: Okay. Thank you all for
10 coming here today. We are off the record. Have a good
11 rest of your day.

12 MR. SATIR: Thank you.

13 ATTORNEY JONES: Thank you.

14 (Conclusion of Proceedings)

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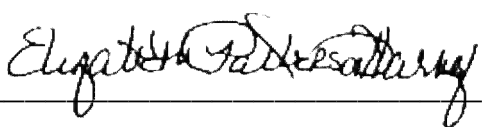

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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, Elizabeth Patterson Harvey, a Certified Court Reporter and Registered Professional Reporter within and for the State of Washington, do hereby certify under penalty of perjury that the foregoing legal recordings were transcribed under my direction; that I received the electronic recording in the proprietary format; that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of May, 2024.

Elizabeth Patterson Harvey, CCR 2731