Staff Investigation of Seventh Generation

TE-140414

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March 2014

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PURPOSE, SCOPE, AND AUTHORITY

Purpose

The purpose of this investigation is to determine if Seventh Generation, operated as a charter party or excursion carrier, transporting passengers for compensation on the public highways of the state of Washington without the necessary certificate required for such operations by RCW 81.70.220.

Scope

The investigation focuses on information obtained by Washington Utilities and Transportation Commission (commission) staff relating to Seventh Generation's operations.

Authority

Staff undertakes this investigation under the authority of the Revised Code of Washington (RCW) 81.01.010, which adopts RCW 80.01, which directs the commission to regulate passenger transportation providers in the public interest, and to adopt such rules and regulations as may be necessary to do so. In addition, RCW 81.04.510 makes it clear that the commission is authorized to conduct such an investigation. Appendix A includes copies of relevant laws and rules.

BACKGROUND

Company Information

Seventh Generation Farms, Inc. received operating authority from the commission as a charter and excursion service carrier on October 10, 2007 (CH-63061). According to Washington State Business License Services' (BLS) information, the company's UBI number at that time was 601395249, John David Hare and Lois Ann Chowen were listed as governing people, and the company's physical address was 29909 Oso Loop Road, Arlington, Washington, 98223. In March 2009, the company changed its name to Seventh Generation Charters, Inc. The company's UBI number was 602765234. John David Hare was listed as the governing person. The company was registered as a forprofit corporation with the Secretary of State (SOS) and the Department of Revenue (DOR).²

In February 2014, the company changed its name, business structure and UBI number. The new UBI number is 603378612. The company is currently called Seventh Generation and is registered as a non-profit corporation with the SOS and has an active account with the DOR. The company's physical address is 350 Independence Road, Rochester, Washington, 98579. John David Hare remains the governing person.³

Suspension/Cancellation of Authority – TE-131897

Charter and excursion service carriers regulated by the commission must obtain and keep in effect the required levels of liability and property damage insurance. Failure to file proof of and maintain the required insurance with the commission is cause for revocation of a company's certificate.⁴

On July 12, 2013, the commission received a notice from Seventh Generation's insurance carrier that the company's insurance would cancel effective October 5, 2013. Commission Licensing Services staff sent Seventh Generation a letter notifying the company that its charter certificate would be suspended if acceptable proof of insurance was not received by October 5.⁵

On October 7, 2013, when proof of the required insurance had not been received, the commission issued an Order Suspending/Cancelling Certificate to Seventh Generation.

¹ BLS Information for Seventh Generation Farms, Inc. at Appendix B, page 22.

² BLS, DOR, SOS information for Seventh Generation Charters, Inc. at Appendix C, page 23.

³ BLS, DOR, SOS information for Seventh Generation at Appendix D, page 27.

⁴ RCW 81.70.280 – Insurance or bond for liability and property damage.

⁵ July 15, 2013, letter from Licensing Services staff to Seventh Generation at Appendix E, page 31.

The order directed Seventh Generation to cease all operations associated with the certificate until proof of insurance was received and the commission lifted the suspension. The commission's order also advised the company that if proof of insurance was not filed with the commission within 30 days, Seventh Generation's charter and excursion certificate would be cancelled without further notice or order.⁶

On November 19, 2013, when proof of the required insurance coverage still had not been received, the commission cancelled Seventh Generation's charter and excursion certificate by operation of law. Seventh Generation did not contest the cancellation of the certificate.

Application for New Authority

Seventh Generation applied for new charter and excursion authority on February 12, 2014. Before the commission grants charter and excursion carrier authority to a company, proof of insurance must be received, all licensing requirements must be met and Motor Carrier Safety staff must conduct a "New Entrant" inspection of the company's vehicles and records.8

Motor Carrier Safety Inspector John Foster conducted the new entrant inspection of Seventh Generation on March 6, 2014. During the inspection, Mr. Foster requested that the company's owner, David Hare, provide copies of any operating records. Mr. Hare informed Mr. Foster that he had no operating records because he had not provided any charter services.9

⁷ Docket TE-140223.

⁶ Order 01 – Docket TE-131897 at Appendix F, page 32.

⁸ Licensing Services staff requested additional information from Seventh Generation that was missing from the initial application. The information was received and the application was considered final on March 3, 2014, and submitted to Motor Carrier Safety for inspection.

⁹ March 17, 2014, memo from John Foster to Dave Pratt at Appendix G, page 35.

INVESTIGATION

On February 28 and March 3, 2014, commission Licensing Services staff received complaints from two regulated charter and excursion service companies that Seventh Generation was actively providing regulated charter services without authority. Inspector Foster contacted Mohan Skiing & Boarding (Mohan Skiing), a ski school for which Seventh Generation reportedly provided charter transportation. Mohan Skiing produced a copy of an invoice from Seventh Generation dated March 1, 2014. The invoice states, "Seventh Generation has completed two separate trips from three schools in Kent (Kentlake, Cedar Heights and Mattson) to Snoqualmie Summit East on February 14 and 2, 2014,"10

Commission enforcement staff followed up with staff at Mohan Skiing to confirm the actual dates of the transportation. Mohan Skiing staff confirmed that Seventh Generation provided transportation for the ski school as described on the invoice and the correct dates of service were February 14 and 28, 2014. Seventh Generation charged \$800 each for these trips and \$1,600 was the total amount Mohan Skiing paid for the transportation.¹¹

On March 7, 2014, David Pratt, Assistant Director for Transportation Safety, spoke with Seventh Generation's owner, Mr. Hare, by phone. Mr. Pratt advised Mr. Hare that commission staff had evidence that Seventh Generation operated without authority in February, which Mr. Hare admitted providing. Mr. Pratt advised Mr. Hare not to provide any additional passenger transportation prior to the commission granting the company charter and excursion authority. Mr. Pratt followed up the phone conversation with a letter confirming the conversation and the information discussed. 12

¹⁰ Seventh Generation Charters Invoice dated March 1, 2014, at Appendix G, page 37.

¹¹ March 14, 2014, email from Mohan Skiing & Boarding to Betty Young at Appendix H, page 38.

¹² March 7, 2014, letter from David Pratt to Seventh Generation at Appendix I, page 40.

STAFF FINDINGS AND RECOMMENDATIONS

Under state law, the definition of "charter party carrier" includes every person "engaged in the transportation over any public highways in this state of a group of persons who, pursuant to a common purpose and under a single contract, acquire the use of a motor vehicle to travel together as a group to a specified designation or for a particular itinerary, either agreed upon in advance or modified by the chartered group after leaving the place of origin." RCW 81.70.020(5). See also WAC 480-30-036.

The term "person" means an individual, a corporation, association, joint stock association, and partnership, their lessees, trustees, or receivers. RCW 81.70.020(2). See also WAC 480-30-036.

The term "common purpose" means that a group of persons is travelling together to achieve a common goal or objective. WAC 480-30-036.

Under RCW 81.70.030, the following types of transportation are exempt from commission regulation as passenger charter carriers:

- Persons operating motor vehicles wholly within the limits of incorporated cities.
- Persons or their lessees, receivers, or trustees insofar as they own, control, operate, or manage taxicabs, hotel buses, or school buses, when operated as such.
- Passenger vehicles carrying passengers on a noncommercial enterprise basis.
- Limousine charter party carriers of passengers under chapter 46.72A RCW.
- Charter party carriers are common carriers. RCW 81.04.010(11). For the purposes of Title 81 RCW, every common carrier is a public service company. RCW 81.04.010.

It is illegal for any person to engage in the business of a charter party carrier over any public highway within the state of Washington without first having obtained a certificate from the Commission to do so or having registered as an interstate carrier. RCW 81.70.220.

After the cancellation or revocation of a certificate or interstate registration or during the period of its suspension, it is unlawful for a charter party carrier or excursion service carrier of passengers to conduct any operations as such a carrier. RCW 81.70.260.

By law, every public service company that violates any Commission rule or provision of Title 81 RCW is subject to a penalty of up to one thousand dollars for every such violation. RCW 81.04.380; RCW 81.70.310.

The Commission is authorized to file a complaint on its own motion setting forth any act or omission by any public service company that violates any law or any order or rule of the Commission. RCW 81.04.110; RCW 81.70.310.

Seventh Generation violated RCW 81.70.220 two times by engaging in the business of a charter party carrier without first having obtained a certificate from the commission to do so. Seventh Generation also violated RCW 81.70.260 two times by conducting operations as a charter carrier after the cancellation of its certificate. Specifically, Seventh Generation operated as a charter party carrier of passengers when it provided transportation for Mohan Skiing for compensation on February 14 and 28. Seventh Generation's owner, Dave Hare, also misled a commission safety inspector by stating that Seventh Generation had not conducted any operations prior to March 6, 2014.

Staff Recommendations

Commission staff recommends that the commission institute a proceeding under RCW 81.04.110 on its own motion to determine whether Seventh Generation operated as a charter party or excursion service carrier for transportation of passengers for compensation between points in the state of Washington and on the public highways of Washington State without the necessary certificate required for such operations by RCW 81.70.220, and whether those operations fall under RCW 81.70.260 - Unlawful operation after certificate or registration canceled, etc.

Staff also recommends that the commission assess penalties, pursuant to its authority under RCW 81.04.380 and RCW 81.70.310, of up to \$1,000 per violation against Seventh Generation.

Appendices

Appendix A

RCW 81.01.010 Adoption of provisions of chapter 80.01 RCW.

The provisions of chapter 80.01 RCW, as now or hereafter amended, apply to Title 81 RCW as fully as though they were set forth herein.

[1961 c 14 § 81.01.010.]

RCW 81.04.010 Definitions.

As used in this title, unless specially defined otherwise or unless the context indicates otherwise:

- (1) "Commission" means the utilities and transportation commission.
- (2) "Commissioner" means one of the members of such commission.
- (3) "Corporation" includes a corporation, company, association, or joint stock association.
- (4) "Low-level radioactive waste site operating company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, owning, operating, controlling, or managing a low-level radioactive waste disposal site or sites located within the state of Washington.
 - (5) "Low-level radioactive waste" means low-level waste as defined by RCW 43.145.010.
 - (6) "Person" includes an individual, a firm, or copartnership.
- (7) "Street railroad" includes every railroad by whatsoever power operated, or any extension or extensions, branch or branches thereof, for public use in the conveyance of persons or property for hire, being mainly upon, along, above, or below any street, avenue, road, highway, bridge, or public place within any one city or town, and includes all equipment, switches, spurs, tracks, bridges, right of trackage, subways, tunnels, stations, terminals, and terminal facilities of every kind used, operated, controlled, or owned by or in connection with any such street railroad, within this state.
- (8) "Street railroad company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town, owning, controlling, operating, or managing any street railroad or any cars or other equipment used thereon or in connection therewith within this state.
- (9) "Railroad" includes every railroad, other than street railroad, by whatsoever power operated for public use in the conveyance of persons or property for hire, with all facilities and equipment, used, operated, controlled, or owned by or in connection with any such railroad.
- (10) "Railroad company" includes every corporation, company, association, joint stock association, partnership, or person, their lessees, trustees, or receivers appointed by any court whatsoever, owning, operating, controlling, or managing any railroad or any cars or other equipment used thereon or in connection therewith within this state.
- (11) "Common carrier" includes all railroads, railroad companies, street railroads, street railroad companies, commercial ferries, motor freight carriers, auto transportation companies, charter party carriers and excursion service carriers, private nonprofit transportation providers, solid waste collection companies, household goods carriers, hazardous liquid pipeline companies, and every corporation, company,

association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court whatsoever, and every city or town, owning, operating, managing, or controlling any such agency for public use in the conveyance of persons or property for hire within this state.

- (12) "Vessel" includes every species of watercraft, by whatsoever power operated, for public use in the conveyance of persons or property for hire over and upon the waters within this state, excepting all towboats, tugs, scows, barges, and lighters, and excepting rowboats and sailing boats under twenty gross tons burden, open steam launches of five tons gross and under, and vessels under five tons gross propelled by gas, fluid, naphtha, or electric motors.
- (13) "Commercial ferry" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers, appointed by any court whatsoever, owning, controlling, leasing, operating, or managing any vessel over and upon the waters of this state.
- (14) "Transportation of property" includes any service in connection with the receiving, delivery, elevation, transfer in transit, ventilation, refrigeration, icing, storage, and handling of the property transported, and the transmission of credit.
- (15) "Transportation of persons" includes any service in connection with the receiving, carriage, and delivery of persons transported and their baggage and all facilities used, or necessary to be used in connection with the safety, comfort, and convenience of persons transported.
 - (16) "Public service company" includes every common carrier.
 - (17) The term "service" is used in this title in its broadest and most inclusive sense.

[2007 c 234 § 4; 1993 c 427 § 9; 1991 c 272 § 3; 1981 c 13 § 2; 1961 c 14 § <u>81.04.010</u>. Prior: 1955 c 316 § 3; prior: 1929 c 223 § 1, part; 1923 c 116 § 1, part; 1911 c 117 § 8, part; RRS § 10344, part.]

RCW 81.04.110 Complaint — Hearing.

Complaint may be made by the commission of its own motion or by any person or corporation, chamber of commerce, board of trade, or any commercial, mercantile, agricultural or manufacturing society, or any body politic or municipal corporation, by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any public service company or any person, persons, or entity acting as a public service company in violation, or claimed to be in violation, of any provision of law or of any order or rule of the commission.

When two or more public service companies or a person, persons, or entity acting as a public service company, (meaning to exclude municipal and other public corporations) are engaged in competition in any locality or localities in the state, either may make complaint against the other or others that the rates, charges, rules, regulations or practices of such other or others with or in respect to which the complainant is in competition, are unreasonable, unremunerative, discriminatory, illegal, unfair or intending or tending to oppress the complainant, to stifle competition, or to create or encourage the creation of monopoly, and upon such complaint or upon complaint of the commission upon its own motion, the commission shall have power, after notice and hearing as in other cases, to, by its order, subject to appeal as in other cases, correct the abuse complained of by establishing such uniform rates, charges, rules, regulations or practices in lieu of those complained of, to be observed by all of such competing public service companies in the locality or localities specified as shall be found reasonable, remunerative, nondiscriminatory, legal, and fair or tending to prevent oppression or monopoly or to encourage competition, and upon any such hearing it shall be proper for the commission to take into consideration the rates, charges, rules, regulations and practices of the public service company or companies complained of in any other locality or localities in the state.

All matters upon which complaint may be founded may be joined in one hearing, and no motion shall be entertained against a complaint for misjoinder of complaints or grievances or misjoinder of parties; and in any review of the courts of orders of the commission the same rule shall apply and pertain with regard to the joinder of complaints and parties as herein provided: PROVIDED, All grievances to be inquired into shall be plainly set forth in the complaint. No complaint shall be dismissed because of the absence of direct damage to the complainant.

Upon the filing of a complaint, the commission shall cause a copy thereof to be served upon the person or company complained of, which shall be accompanied by a notice fixing the time when and place where a hearing will be had upon such complaint. The time fixed for such hearing shall not be less than ten days after the date of the service of such notice and complaint, excepting as herein provided. Rules of practice and procedure not otherwise provided for in this title may be prescribed by the commission.

[1994 c 37 § 2; 1961 c 14 § 81.04.110. Prior: 1913 c 145 § 1; 1911 c 117 § 80; RRS § 10422.]

RCW 81.70.310 Application of Title 81 RCW.

All applicable provisions of this title relating to procedure, powers of the commission, and penalties shall apply to the operation and regulation of persons under this chapter, except as those provisions may conflict with the provisions of this chapter and rules and regulations issued thereunder by the commission.

[1988 c 30 § 11.]

RCW 81.04.380 Penalties — Violations by public service companies.

Every public service company, and all officers, agents and employees of any public service company, shall obey, observe and comply with every order, rule, direction or requirement made by the commission under authority of this title, so long as the same shall be and remain in force. Any public service company which shall violate or fail to comply with any provision of this title, or which fails, omits or neglects to obey, observe or comply with any order, rule, or any direction, demand or requirement of the commission, shall be subject to a penalty of not to exceed the sum of one thousand dollars for each and every offense. Every violation of any such order, direction or requirement of this title shall be a separate and distinct offense, and in case of a continuing violation every day's continuance thereof shall be and be deemed to be a separate and distinct offense.

[1961 c 14 § 81.04.380. Prior: 1911 c 117 § 94; RRS § 10443.]

RCW 81.04.510 Engaging in business or operating without approval or authority — Procedure.

Whether or not any person or corporation is conducting business requiring operating authority, or has performed or is performing any act requiring approval of the commission without securing such approval, shall be a question of fact to be determined by the commission. Whenever the commission believes that any person or corporation is engaged in operations without the necessary approval or authority required by any provision of this title, it may institute a special proceeding requiring such person or corporation to appear before the commission at a location convenient for witnesses and the production of evidence and bring with him books, records, accounts and other memoranda, and give testimony under oath as to his operations or acts, and the burden shall rest upon such person or corporation of proving that his operations or acts are not subject to the provisions of this chapter. The commission may consider any and all facts that may indicate the true nature and extent of the operations or acts and may subpoena such witnesses and documents as it deems necessary.

After having made the investigation herein described, the commission is authorized and directed to issue the necessary order or orders declaring the operations or acts to be subject to, or not subject to, the

provisions of this title. In the event the operations or acts are found to be subject to the provisions of this title, the commission is authorized and directed to issue cease and desist orders to all parties involved in the operations or acts.

In proceedings under this section no person or corporation shall be excused from testifying or from producing any book, waybill, document, paper or account before the commission when ordered to do so, on the ground that the testimony or evidence, book, waybill, document, paper or account required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person or corporation shall be prosecuted, punished or subjected to any penalty or forfeiture for or on account of any account, transaction, matter or thing concerning which he shall under oath have testified or produced documentary evidence in proceedings under this section: PROVIDED, That no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

[1973 c 115 § 15.]

RCW 81.70.020 Definitions.

Unless the context otherwise requires, the definitions and general provisions in this section govern the construction of this chapter:

- (1) "Commission" means the Washington utilities and transportation commission;
- (2) "Person or persons" means an individual, a corporation, association, joint stock association, and partnership, their lessees, trustees, or receivers;
 - (3) "Public highway" includes every public street, road, or highway in this state;
- (4) "Motor vehicle" means every self-propelled vehicle with seating capacity for seven or more persons, excluding the driver;
- (5) Subject to the exclusions of RCW <u>81.70.030</u>, "charter party carrier" means every person engaged in the transportation over any public highways in this state of a group of persons, who, pursuant to a common purpose and under a single contract, acquire the use of a motor vehicle to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the chartered group after leaving the place of origin;
- (6) Subject to the exclusion of RCW <u>81.70.030</u>, "excursion service carrier" means every person engaged in the transportation of persons for compensation over any public highway in this state from points of origin within the incorporated limits of any city or town or area, to any other location within the state of Washington and returning to that origin. The service must not pick up or drop off passengers after leaving and before returning to the area of origin. The excursions may be regularly scheduled. Compensation for the transportation offered or afforded must be computed, charged, or assessed by the excursion service company on an individual fare basis.

[2007 c 234 § 55; 1989 c 163 § 6; 1988 c 30 § 1; 1969 c 132 § 1; 1965 c 150 § 3.]

RCW 81.70.030 Exclusions.

This chapter does not apply to:

- (1) Persons operating motor vehicles wholly within the limits of incorporated cities;
- (2) Persons or their lessees, receivers, or trustees insofar as they own, control, operate, or manage taxicabs, hotel buses, or school buses, when operated as such;
 - (3) Passenger vehicles carrying passengers on a noncommercial enterprise basis; or
 - (4) Limousine charter party carriers of passengers under chapter 46.72A RCW.

[2007 c 234 § 56; 1989 c 283 § 17; 1965 c 150 § 4.]

RCW 81.70.220 Certificate or registration required.

- (1) No person may engage in the business of a charter party carrier or excursion service carrier of persons over any public highway without first having obtained a certificate from the commission to do so or having registered as an interstate carrier.
- (2) An auto transportation company carrying passengers for compensation over any public highway in this state between fixed termini or over a regular route that is not required to hold an auto transportation certificate because of a commission finding under RCW <u>81.68.015</u> must obtain a certificate under this chapter.

[2009 c 557 § 4; 1989 c 163 § 7; 1988 c 30 § 2.]

RCW 81.70.260 Unlawful operation after certificate or registration canceled, etc.

After the cancellation or revocation of a certificate or interstate registration or during the period of its suspension, it is unlawful for a charter party carrier or excursion service carrier of passengers to conduct any operations as such a carrier.

[1989 c 163 § 9; 1988 c 30 § 6.]

RCW 81.70.280 Insurance or bond for liability and property damage.

- (1) In issuing certificates under this chapter, the commission shall require charter party carriers and excursion service carriers to procure and continue in effect during the life of the certificate, liability and property damage insurance from a company licensed to make liability insurance in the state of Washington or a surety bond of a company licensed to write surety bonds in the state of Washington on each motor-propelled vehicle used or to be used in transporting persons for compensation, in the following amounts:
- (a) Not less than one hundred thousand dollars for any recovery for personal injury by one person; and
- (b) Not less than three hundred thousand dollars for any vehicle having a capacity of sixteen passengers or less; and
- (c) Not less than five hundred thousand dollars for any vehicle having a capacity of seventeen passengers or more for all receiving personal injury by at least one act of negligence; and

- (d) Not less than fifty thousand dollars for damage to property of any person other than the insured.
- (2) The commission shall fix the amount of the insurance policy or policies or security deposit by giving consideration to the character and amount of traffic, the number of persons affected, and the degree of danger which the proposed operation involves. The liability and property damage insurance or surety bond must be maintained in force on each motor-propelled vehicle while in use. Each policy for liability or property damage insurance or surety bond required by this section must be filed with the commission and kept in effect. Failure to file and maintain the required insurance is cause for the revocation of the certificate.

[2007 c 234 § 59; 1989 c 163 § 11; 1988 c 30 § 8.]

RCW 81.70.310 Application of Title 81 RCW.

All applicable provisions of this title relating to procedure, powers of the commission, and penalties shall apply to the operation and regulation of persons under this chapter, except as those provisions may conflict with the provisions of this chapter and rules and regulations issued thereunder by the commission.

[1988 c 30 § 11.]

WAC 480-30-036 Definitions, general.

- (1) See WAC <u>480-30-261</u> for definition of terms used primarily in tariffs and time schedules and WAC <u>480-30-216</u> for definitions used in driver and vehicle safety rules.
- (2) Unless the language or context indicates that a different meaning is intended, the following definitions apply:
 - "Agent" means a person authorized to transact business for, and in the name of, another.
- "Airporter service" means an auto transportation service that starts or ends at a station served by another type of transportation such as, air or rail transportation. Airporter service is often a premium service that involves handling luggage. Although stops may be made along the way, they are usually limited to picking up or discharging passengers, luggage, and/or express freight bound to or from the airport or depot served.
- "Alternate arrangements for passengers" means the travel arrangements made by an auto transportation company that has accepted a trip booking or reservation from a passenger and that is unable to provide the agreed transportation. The alternate arrangements may require travel by another carrier or mode of transportation at no additional cost to the passenger beyond what the passenger would have paid for the original transportation arrangement.
- "Application docket" means a commission publication providing notice of all applications requesting auto transportation operating authority, with a description of the authority requested. The commission sends this publication to all persons currently holding auto transportation authority, to all persons with pending applications for auto transportation authority, to affected local jurisdictions or agencies, and to all other persons who asked to receive copies of the application docket.
- "Area" means a defined geographical location. Examples include, but are not limited to:
 - (a) A specified city or town;
 - (b) A specified county, group of counties, or subdivision of the state, e.g., western Washington;

- (c) A zone, e.g., company designated territory; or
- (d) A route, e.g., area within four road miles of Interstate 5.
- "Auto transportation company" means every person owning, controlling, operating, or managing any motor-propelled vehicle not usually operated on or over rails, used in the business of transporting persons over any public highway in this state between fixed termini or over a regular route, and not operating exclusively within the incorporated limits of any city or town.
- "Between fixed termini or over a regular route" means the fixed points between which an auto transportation company provides service or the route over which an auto transportation company ordinarily operates any motor-propelled vehicle, even though there may be variance whether the variance is periodic or irregular.

"Bus" means a motor vehicle designed, constructed, and/or used for the transportation of passengers.

"Business days" means days of the week excluding Saturdays, Sundays, and official state holidays.

"By-reservation-only service" means transportation of passengers by an auto transportation company, with routes operated only if passengers have made prior reservations.

"Certificate" means:

- (a) The certificate of public convenience and necessity issued by the Washington utilities and transportation commission under the provisions of chapter $\underline{81.68}$ RCW to operate as an auto transportation company; or
- (b) The certificate issued by the Washington utilities and transportation commission under chapter $\underline{81.70}$ RCW to operate as a charter and excursion carrier in the state of Washington.

"Certificated authority" means:

- (a) The territory and services granted by the commission and described in an auto transportation company's certificate of public convenience and necessity; or
 - (b) Operations in the state of Washington for charter and excursion service carriers.
- "Charter party carrier of passengers" or "charter carrier" means every person engaged in the transportation of a group of persons who, pursuant to a common purpose and under a single contract, have acquired the use of a motor bus to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the chartering group after having left the place of origin.

- "Claim" means a demand made on a company for payment resulting from a loss sustained through the company's negligence or for inadequate service provided by the company.
- "Closed-door service" means a portion of a route or territory in which an auto transportation company is not allowed to pick up or deliver passengers. Closed-door service restrictions must be clearly stated in an auto transportation company's certificate.
- "Common purpose" means that a group of persons is traveling together to achieve a common goal or objective. For example, a group of persons traveling together to attend a common function or to visit a common location. For the purposes of these rules it does not mean a group of persons who have no common goal other than transportation to, or from, the airport.
 - "Commission" means the Washington utilities and transportation commission.
- "Common carrier" means any person who transports passengers by motor vehicle over the public highways for compensation.
- "Company" means an entity authorized by the commission to transport passengers, for compensation, using a motor vehicle, over the public highways of the state.
- "Complaint" means one of two types of actions by a person against a passenger transportation company that the commission regulates:
- (a) "**Informal complaints**" are those complaints filed with the commission under the provisions of WAC 480-07-910. Informal complaints are normally investigated and resolved by commission staff.
- (b) "**Formal complaints"** are those complaints filed with the commission under the provisions of WAC <u>480-07-370</u>. In a formal complaint, the burden of proof resides with the complaining party who must prove its assertions in a formal commission proceeding.
- "Connecting service" means an auto transportation company service over a route, or routes, that require passengers to transfer from one vehicle to another vehicle operated by either the same company or a different company before reaching the ending point.
- "Contract carrier" means a person holding a certificate issued by the commission authorizing transportation of passengers under special and individual contracts or agreements.
 - "Customer" means a person who purchased transportation services from an auto transportation company.
- "**Direct route**" means an auto transportation company service over a route that goes from the beginning point to the ending point with limited, if any, stops along the way, and traveling only to points located on the specific route without requiring a passenger to transfer from one vehicle to another.

"Discontinuance of service":

- (a) "**Permanent discontinuance of service**" means that a company holding auto transportation authority issued by the commission is unable to continue to provide all, or part of, the service authorized by the company's certificate, filed tariff, or filed time schedule and requests commission permission to permanently discontinue all, or part of, its service and relinquish that certificate or portion of that certificate. See WAC 480-30-186.
- (b) "Temporary discontinuance of service" means that a company holding auto transportation authority issued by the commission is unable to continue to provide all, or part of, the service authorized by the company's certificate, filed tariff, or filed time schedule and requests commission permission to discontinue all, or part of, its service for a specified, limited period of time.

"Door-to-door service" means an auto transportation company service provided between a location identified by the passenger and a point specifically named by the company in its filed tariff and time schedule.

"Excursion service carrier" or "excursion carrier" means every person engaged in the transportation of persons for compensation over any public highway in the state from points of origin within any city, town, or area, to any other location within the state of Washington and returning to that origin. The service will not pick up or drop off passengers after leaving and before returning to the area of origin. The excursions may or may not be regularly scheduled. Compensation for the transportation offered must be computed, charged, or assessed by the excursion service company on an individual fare basis.

"Express freight/package service" means transportation of freight and packages, other than packages or baggage carried or checked by passengers, offered by a passenger transportation company.

"Express passenger service" means auto transportation company service provided between fixed points or stations with few, if any, stops along the route, and is designed to get passengers from origin to destination more quickly than normally scheduled passenger service.

"Federal Motor Carrier Safety Administration" means an agency of the United States Department of Transportation (USDOT) and successor agency to the former Interstate Commerce Commission.

"Filing" means any application, petition, tariff proposal, annual report, comment, complaint, pleading, or other document submitted to the commission.

"**Fixed termini**" means points of origin and destination that are set, static locations or defined geographic areas. Examples include a city or town, a building or an airport. In addition "fixed termini" can include service between an airport and unlimited points within a defined geographic area.

"Flag stops" means a point along an auto transportation company's normally traveled routes where the company stops only if it receives notification that a passenger wishes to board the vehicle at that point. An auto transportation company must list available flag stops in the company's tariffs and time schedules. Flag stops may only be named at points that provide waiting passengers safe access to the vehicle.

"Group" means:

- (a) Two or more passengers traveling together;
- (b) A class of passengers to whom special rates and/or rules apply. For example, active military personnel.

"Intermediate point" means a point located on a route between two other points that are specifically named in an auto transportation company's certificate or tariff.

"Intermediate service" means service to an intermediate point.

"Interruption in service" means a period of time during which an auto transportation company cannot provide service listed in its certificate, its filed tariff, or its filed time schedule. An interruption in service is normally short lived, lasting no more than a few hours or a few days.

"Leasing":

- (a) "Leasing authority" means one auto transportation company allowing another person to operate all, or a portion, of the authority granted to the first company by the commission. A joint application to, and approval from, the commission is required to lease authority. See WAC 480-30-141.
- (b) "Leasing equipment" means the act of a passenger transportation company to supplement its fleet by acquiring a vehicle(s) from a third party for a specified period of time under contract. See WAC 480-30-236.

"Motor vehicle" or "vehicle" means:

- (a) As related to auto transportation companies: Every self-propelled vehicle used on the public highways, for the transportation of persons for compensation.
- (b) As related to charter and excursion carriers: Every self-propelled vehicle with a manufacturer's seating capacity for eight or more passengers, including the driver, used on the public highways, for the transportation of persons for compensation.
- "Named points" means cities, towns, or specific locations that are listed in an auto transportation company's certificate, tariff, or time schedule.
- "Nonstop service" means transportation of passengers from point of origin to point of destination without stopping at any intermediate points.
- "On-call service" means unscheduled auto transportation company service provided only to those passengers that have by prior arrangement requested service prior to boarding.
- "Passenger facility" means a location at which an auto transportation company stations employees and at which passengers can purchase tickets or pay fares for transportation service.
- "Passenger transportation company" means an auto transportation company or charter and excursion carrier.
- "Person" means an individual, firm, corporation, association, partnership, lessee, receiver, trustee, consortium, joint venture, or commercial entity.
- "Premium service" means a type of service provided by an auto transportation company that is outside normal service. Examples include express service, direct route service, and nonstop door-to-door service.
- "Private carrier" means a person who transports passengers in the person's own vehicle purely as an incidental adjunct to some other established private business owned or operated by that person in good faith.
 - "Private motor vehicle" means a vehicle owned or operated by a private carrier.
 - "Public highway" means every street, road, or highway in this state.
- "Public transit agency" means a municipal corporation or agency of state or local government formed under the laws of the state of Washington for the purpose of providing transportation services including, but not limited to, public transportation benefit areas, regional transit authorities, municipal transit authorities, city and county transit agencies.
 - "Residence" means the regular dwelling place of an individual or individuals.
- "Route" means a highway or combination of highways over which an auto transportation company provides passenger service. There are two types of routes:
- (a) "Irregular route" means travel between points named in an auto transportation company's certificate via any highway or combination of highways the company wishes to operate over. The certificate issued to the company does not list highways to be used, but the company defines routes in its tariffs and time schedules.
- (b) "Regular route" means an auto transportation company providing passenger transportation over a route named in the certificate issued to the company by the commission.

Seventh Generation Docket TE-140414

"Scheduled service" means an auto transportation company providing passenger service at specified arrival and/or departure times at points on a route.

"Single contract" means an agreement between a charter carrier and a group of passengers to provide transportation services at a set price for the group or trip. Under a single contract, passengers are not charged individually.

"Small business" means any company that has fifty or fewer employees.

"Special or promotional fares" means temporary fares for specific services offered for no more than ninety days.

"State" means the state of Washington.

"Subcontracting - Auto transportation company" means that an auto transportation company holding authority from the commission contracts with a second auto transportation company to provide service that the original company has agreed to provide, but finds it is unable to provide. See WAC 480-30-166.

"Subcontracting - Charter and excursion carrier" means that a charter and excursion carrier holding authority from the commission contracts with a second charter and excursion carrier to provide service that the original carrier has agreed to provide, but finds it is unable to provide.

"Substitute vehicle" means a vehicle used to replace a disabled vehicle for less than thirty days.

"Suspension" means an act by the commission to temporarily revoke a company's certificated authority; or an act by the commission to withhold approval of an auto transportation company's tariff filing.

"Tariff" or "tariff schedule" means a document issued by an auto transportation company containing the services provided, the rates the company must assess its customers for those services, and the rules describing how the rates apply.

"**Tariff service territory**" means a company-defined geographic area of its certificated authority in which a specific tariff applies.

"**Temporary certificate**" means the certificate issued by the Washington utilities and transportation commission under RCW <u>81.68.046</u> to operate as an auto transportation company for up to one hundred eighty days or pending a decision on a parallel filed auto transportation company certificate application.

"**Temporary certificate authority**" means the territory and services granted by the commission and described in an auto transportation company's temporary certificate.

"**Ticket agent agreements**" means a signed agreement between an auto transportation company and a second party in which the second party agrees, for compensation, to sell tickets to passengers on behalf of the auto transportation company. See WAC 480-30-391.

"Time schedule" means a document filed as part of an auto transportation company's tariff, or as a separate document, that lists the routes operated by the company including the times and locations at which passengers may receive service and any rules specific to operating those routes.

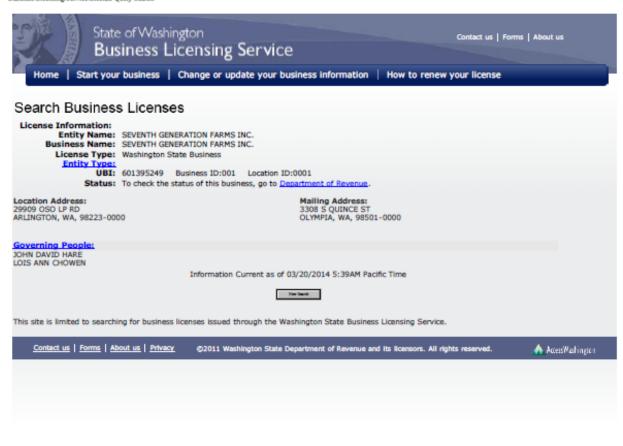
[Statutory Authority: RCW <u>80.01.040</u>, <u>81.04.160</u>, <u>81.12.050</u>, <u>81.68.030</u>, and <u>81.70.270</u>. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-036, filed 6/8/06, effective 7/9/06.]

WAC 480-30-086 Certificates, general.

- (1) **Certificate required.** A person must have a certificate from the commission before operating as a passenger transportation company in the state of Washington.
 - (2) **Company name.** The company name is the name of the certificate holder.
- (a) A company electing to conduct operations under a trade name must first register the trade name with the commission.
- (b) A company must conduct all operations under the company name, a registered trade name, or both. The term "operations" includes, but is not limited to advertising, ticketing, and identifying vehicles.
- (c) A company may not operate under a company name or trade name that is similar to that of another company if use of the similar name misleads the public or results in unfair or destructive competitive practices.
- (3) **Display.** A company must keep its original certificate on file at its principal place of business open to inspection by any customer, law enforcement officer, or authorized commission representative who asks to see it.
 - (4) **Replacement.** The commission will replace a lost or destroyed original certificate at no charge.
- (5) **Description of certificated authority.** When a company's certificate authority includes boundaries such as cities, towns, streets, avenues, roads, highways, townships, ranges or other descriptions, the boundaries remain established as they existed at the time the commission granted the authority.
 - (6) Operating within certificated authority.
 - (a) A company must operate strictly within the authority described in its certificate.
- (b) The commission may take administrative action against a company operating outside its certificated authority. Refer to WAC <u>480-30-241</u> for information regarding the commission's compliance policy. [Statutory Authority: RCW <u>80.01.040</u>, <u>81.04.160</u>, <u>81.12.050</u>, <u>81.68.030</u>, and <u>81.70.270</u>. 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-086, filed 6/8/06, effective 7/9/06.]

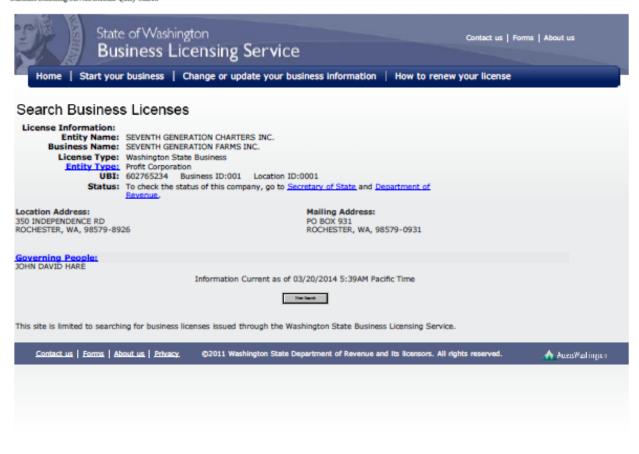
Appendix B

Business Licensing Service License Query Search



Appendix C

Business Licensing Service License Query Search



Seventh Generation Docket TE-140414

Corporations: Registration Detail



Corporations

| search | | search |
|--------|--|--------|
|--------|--|--------|

Contact Us

PRINT PAGE

Corporations Division - Registration Data Search

Neither the State of Washington nor any agency, officer, or employee of the State of Washington warrants the accuracy, reliability, or timeliness of any information in the Public Access System and shall not be liable for any losses caused by such reliance on the accuracy, reliability, or timeliness of such information. While every effort is made to ensure the accuracy of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from the System does so at his or her own risk.

All documents filed with the Corporations Division are considered public record.

SEVENTH GENERATION CHARTERS INC.

Purchase Documents for this Corporation »

| UBI Number | 602765234 |
|------------------------------|---------------------|
| Category | REG |
| Profit/Nonprofit | Profit |
| Active/Inactive | Active |
| State Of Incorporation | WA |
| WA Filing Date | 09/26/2007 |
| Expiration Date | 09/30/2014 |
| Inactive Date | |
| Duration | Perpetual |
| Registered Agent Information | |
| Agent Name | JOHN DAVID HARE |
| Address | 350 INDEPENDENCE RD |
| City | ROCHESTER |
| State | WA |

http://www.sos.wa.gov/corps/search_detail.aspx?ubi=602765234[3/20/2014 8:52:12 AM]

Seventh Generation Docket TE-140414

Corporations: Registration Detail

ZIP 98579

Special Address Information

Address
City
State
Zip

Governing Persons

| Title | Name | Address |
|------------------------------|------------------|---------------|
| President,Treasurer,Chairman | HARE, JOHN DAVID | ROCHESTER, WA |

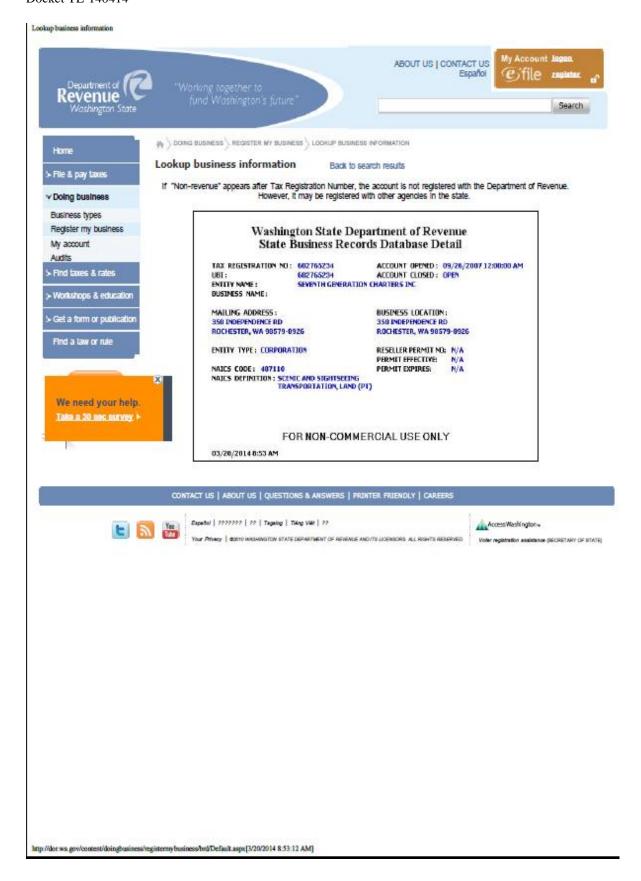
Purchase Documents for this Corporation »

« Return to Search List



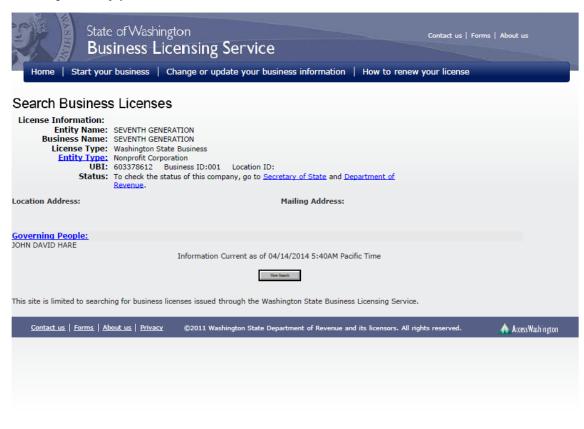
Washington Secretary of State
Corporations Division
801 Capitol Way South
PO Box 40234, Olympia WA 98504-0234
(360) 725-0377
Privacy Policy

http://www.sos.wa.gov/corps/search_detail.aspx?ubi=602765234[3/20/2014 8:52:12 AM]



Appendix D

Business Licensing Service:License Query Search



Lookup business information



Seventh Generation Docket TE-140414

Corporations: Registration Detail

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| Corporations | | | |
| Contact Us | search | | |

PRINT PAGE

Corporations Division - Registration Data Search

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All documents filed with the Corporations Division are considered public record.

SEVENTH GENERATION

Purchase Documents for this Corporation »

| UBI Number | 603378612 |
|------------------------------|---------------------|
| Category | REG |
| Profit/Nonprofit | Nonprofit |
| Active/Inactive | Active |
| State Of Incorporation | WA |
| WA Filing Date | 02/24/2014 |
| Expiration Date | 02/28/2015 |
| Inactive Date | |
| Duration | Perpetual |
| Registered Agent Information | |
| Agent Name | JOHN DAVID HARE |
| Address | 350 INDEPENDENCE RD |
| City | ROCHESTER |
| State | WA |

 $http://www.sos.wa.gov/corps/search_detail.aspx?ubi=603378612[4/14/2014\ 1:50:23\ PM]$

Seventh Generation Docket TE-140414

Corporations: Registration Detail

| ZIP | 98579 |
|-----------------------------|------------|
| Special Address Information | |
| Address | PO BOX 931 |
| City | ROCHESTER |
| State | WA |
| Zip | 98579 |

Governing Persons

| Title | Name | Address |
|----------|------------------|--|
| Director | HARE, JOHN DAVID | 350 INDEPENDENCE RD ROCHESTER, WA 98579 |

Purchase Documents for this Corporation »

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Washington Secretary of State
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http://www.sos.wa.gov/corps/search_detail.aspx?ubi=603378612[4/14/2014 1:50:23 PM]

Appendix E



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

Seventh Generation Charters, Inc. PO Box 931 Rochester, WA 98579

July 15, 2013

Notice of Cancellation of Your Insurance

State law requires you to file and maintain proof of public liability and property damage insurance to maintain your permit with the Washington Utilities and Transportation Commission. We have received notice that your insurance will be cancelled on October 5, 2013.

What happens if proof of insurance is not filed by October 5, 2013?

If proof of insurance (Form E or binder) is not filed by October 5, 2013 we will send you an order suspending your operating authority.

What happens if my operating authority is suspended?

If your operating authority is suspended, you must stop all operations until we receive proof of insurance and send you an order that removes the suspension. If you do not file proof of insurance within 30 days after the service date of the suspension order <u>we will</u> cancel your authority without further notice.

What if I do not agree with the suspension or cancellation of my permit?

If you do not agree you may file a written request for a hearing within 10 days following the date of this notification. Once we receive your written request we will notify you of the date, time and location of the hearing. NOTE: At the hearing the only issues we can address are whether you had proof of insurance on file during the period of suspension, and whether you have proof of insurance on file to avoid cancellation.

Who do I contact if I have questions?

You may call 360-664-1222 or e-mail us at <u>transportation@utc.wa.gov</u>. Our fax number is 360-586-1181.

Thank You.

Appendix F

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION 1-360-664-1222

| In the matter of the suspension/cancellation | 1) |
|---|--------------------------|
| of charter and excursion carrier services |) DOCKET TE-131897 |
| certificate CH-63061 held by: | j |
| |) ORDER 01 |
| SEVENTH GENERATION CHARTERS, |) |
| INC., |) ORDER SUSPENDING/ |
| , |) CANCELLING CERTIFICATE |
| for failure of carrier to file proof of liability | , |
| | , , |
| and property damage insurance covering |) |
| equipment. |) |
| | .) |

BACKGROUND

- 1 Charter and excursion carrier services operating in the state of Washington, subject to regulation by the Washington Utilities and Transportation Commission (Commission), must file and maintain proof of liability and property damage insurance.
- On July 15, 2013, the Commission notified you by letter that your certificate to operate as a charter and excursion carrier service in Washington would be suspended if your insurance company did not file with the Commission acceptable proof of insurance. We also informed you that you could contest suspension of your certificate by requesting a hearing within 10 days of receiving the notice.
- 3 The Commission has not received proof of insurance and you have not requested a hearing.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington with authority to regulate charter and excursion carrier services as defined in RCW 81.70.
- Seventh Generation Charters, Inc., is a charter and excursion carrier service operating in Washington state under certificate CH-63061.
- On July 15, 2013, the Commission received notice of insurance cancellation related to Seventh Generation Charters, Inc., effective October 5, 2013.

DOCKET TE-131897 PAGE 2 ORDER 01

7 (4) The Commission is authorized under WAC 480-30-171(1)(a) to suspend a charter and excursion carrier services certificate for failure to file and maintain proof of insurance.

8 (5) The Commission is authorized by WAC 480-30-171(2)(c) to cancel a charter and excursion carrier services certificate for failure to correct conditions leading to suspension within the time defined in the suspension order.

ORDER

THE COMMISSION ORDERS:

- Certificate CH-63061, held by Seventh Generation Charters, Inc., is suspended for a period of 30 days effective October 5, 2013.
- (2) Seventh Generation Charters, Inc., is directed to cease all operations associated with this certificate CH-63061 until the Commission receives proof of liability and property damage insurance and enters an order lifting this suspension and authorizing you to resume operations.
- 11 (3) If proof of insurance is not filed with the Commission within 30 days, certificate CH-63061 will be cancelled without further notice or order. To reinstate this certificate you must submit a new application and acceptable proof of insurance.
- 12 (4) Seventh Generation Charters, Inc., may contest cancellation of certificate CH-63061 by requesting a hearing within 10 days of service of this Order. A hearing request does not affect the suspension status of your certificate.
- 13 The Commission has delegated authority to the Secretary, or to the Secretary's delegate, to enter this Order under RCW 80.01.030 and WAC 480-07-905(6)(b) and Order 01 in Docket A-090485.

DATED at Olympia, Washington and effective October 7, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID PRATT Assistant Director, Transportation Safety DOCKET TE-131897 PAGE 3 ORDER 01

NOTICE: This is an order delegated to the Secretary, or to the Secretary's delegate, for decision. In addition to serving you a copy of the decision, the Commission will post on its Internet Web site for at least 14 days a listing of all matters delegated to the Secretary for decision. You may seek Commission review of this decision. You must file a request for Commission review of this order no later than fourteen (14) days after the date the decision is posted on the Commission's Web site.

The Commission will schedule your request for review by issuing a notice of hearing to be held before an administrative law judge. The Commission, at its discretion, may consider your request for review in an adjudicative proceeding under RCW 34.05 Part IV, or in a brief adjudicative proceeding under RCW 34.05.482 through .494. Following hearing, the administrative law judge will enter an initial order. If you wish to seek review of the initial order, you may file a petition for administrative review under RCW 34.05.464, or if the matter is heard in a brief adjudicative proceeding, under RCW 34.05.491.

The Commission will grant a late-filed request for review only on a showing of good cause, including a satisfactory explanation of why the person did not timely file the request. A form for late-filed requests is available on the Commission's Web site.

This notice and review process is pursuant to the provisions of RCW 80.01.030 and WAC 480-07-904(2) and (3), and WAC 480-07-905, as amended effective September 22, 2008.

Appendix G

March 17, 2014

To: Dave Pratt, Assistant Director for Transportation Safety

From: John Foster, Transportation Specialist 4

Subject Seventh Generation Charters, Inc. – TE-140414

On March 6, 2014, I conducted a new entrant vehicle inspection of Seventh Generation Charters, Inc. (Seventh Generation). The company's owner, David Hare, was present for the inspection. A copy of the inspection report is attached.

Prior to conducting the inspection, the commission was contacted by two certificated charter companies about Seventh Generation providing charter transportation services without authority from the commission. One of the complainants stated that he observed Seventh Generation providing charter service at Snoqualmie Summit on February 28.

On March 5, 2014 I contacted Mohan Skiing and Boarding, the ski school for which Seventh Generation reportedly provided charter transportation. Staff at the ski school confirmed that Seventh Generation had conducted charter services for them and provided me a copy of the attached invoice dated 3/1/14. The invoice describes two separate trips from three schools in Kent (Kentlake, Cedar Heights and Mattson) to Snoqualmie Summit East in February 2014. The dates are shown on the invoice as "February 14 and 2." The total charge on the invoice is \$1,600.

During the vehicle inspection, when I asked Mr. Hare if I could review his operating records, he stated that he had no records because he had not provided any charter transportation for hire.

Attachments

/ER/VEHICLE EXAMINATION RE. RT Aspen 2.14.1.1 Washington State Patrol Report Number: WA0003000511 P.O. Box 42614 Inspection Date: 03/06/2014 Olympia, WA 98504-2614 Phone (360) 596-3819 Inspection Level: I - Full Fax (360) 596-3828 HM Inspection Type: None SEVENTH GENERATION Driver: HARE, JOHN D PO BOX 931 License#: HARE*JD594KM State: WA ROCHESTER, WA 98579 Date of Birth: 05/14/1941 USDOT#: 01694307 Phone#: (360)273-7987 CoDriver: MC/MX#: 622509 Fax#: License#: State: State#: Date of Birth: Location: CHEHALIS MilePost: Shipper: Highway: FORREST - NAPAVINE ROAD Origin: CHEHALIS, WA Bill of Lading: County: LEWIS, WA Destination: CHEHALIS, WA Cargo: EMPTY VEHICLE IDENTIFICATION Unit Type Make Year State Plate # Equipment ID VIN **GVWR** CVSA# CVSA Issued# OOS Sticker 1 MC PREO 1988 WA B98198S 102 2P9L33407J1001559 36,000 19729008 BRAKE ADJUSTMENTS 3 Axle # 1 2 1 1/4 Right 1 1/2 1 Left 1 1/4 1 3/4 1 Chamber C-24 C-30 C-16 VIOLATIONS Vio Code Unit OOS Citation # Verify Crash Violations Discovered

N N Inoperable Required Lamp Section 393.9 393.9(a) HazMat: No HM Transported. Placard: No Cargo Tank: Special Checks: No Data for Special Checks. The undersigned certifies that all violations noted on this report have been corrected and action has been taken to insure compliance with all applicable Federal and State regulations Sign and return this entire report within 15 days to the above address. Signature Of Motor Carrier X: Date:

Report Prepared By:

Badge #: J518 Copy Received By: JOHN HARE

1317 722

Page 1 of



01694307 WA WARROOSOO61

| | Seventh Generation Cha PO Box 931 Rochester, WA 98579-0931 Office: 360-273-7987 Cell: 360 | anvoir | INVOICE = |
|--------------------------------------|---|---|--------------|
| Name Address City Attention | Mohan Skiing and Boarding P O Box 685 Redmond State WA 719 or | Date Order No Cust. No. Work Orde | - |
| Qty 2 | Description Seventh Generation has completed two separ three Schools in Kent (Kentlake, Cedar Heigh Mattson) to Snoqualmie Summit East on Febr | in and | |
| | | | |
| 000 | yment Details PayPal (seventhgenerationcharters@wildblue.ne Cash Check Payable Upon Receipt | Subtoi Shipping & Handlin Taxes Credit TOTA Office Use Only | \$0.00 S0.00 |
| | Thank You David Hare | Jol. | |

Appendix H

 From:
 Mohan Skiing & Boardin

 To:
 Young, Betty (UTC)

Subject: RE: Seventh Generation Charters, Inc Invoice Date: Friday, March 14, 2014 12:24:28 PM

Hi Betty,

I will respond in point form for clarity:

- Yes that is correct, the 14th and 28th.
- 2. Yes that is correct.
- 3. That is what it appears to be. That was wrote prior to it being received in our office.

Kathy Bohac 425/ 868-3820 X103

Mohan Skiing & Boarding

Developing Skills, Enhancing Possibilities, Making Friends & Creating Memories Since 1960 PO Box 685, Redmond, WA 98073 Phone: 425.868.3820 Fax: 425.868.2368 www.facebook.com/SkiMohan

From: Young, Betty (UTC) [mailto:byoung@utc.wa.gov]

Sent: Friday, March 14, 2014 11:42 AM

To: office@skimohan.com

Subject: Seventh Generation Charters, Inc Invoice

Hi Kathy – thank you for speaking with me today. You recently provided a copy of the attached invoice, dated 3/1/2014, to our Motor Carrier Inspector John Foster. The invoice is from Seventh Generation Charters for two charter trips the company provided for Mohan Skiing and Boarding in February 2014.

I have a few questions about the invoice:

- 1. The dates shown are "February 14 and 2." As I understand it from talking with you today, the trips took place on February 14 and 28th. Is that correct?
- 2. The invoice shows that Seventh Generation charged Mohan Skiiing and Boarding \$1,600 for these trips. Is that the amount Mohan Skiing and Boarding paid for the transportation?
- 3. There is some handwritten information on the bottom of the invoice, which appears to say, "Paid. Joel." Is this correct?

Thank you very much for your help. As I mentioned on the phone, anytime Mohan Skiing and Boarding would like to check to see if a charter company has current authority from the UTC, please check our <u>website</u> or contact our <u>Licensing</u> Services staff at 360-664-1122.

If you have any questions, please let me know.

Betty Young
Compliance Investigator
Transportation Safety Enforcement
Washington Utilities and Transportation Commission (UTC)
Phone: 360-664-1202

Fax: 360-586-1172

Appendix I



STATE OF WASHINGTON WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

March 7, 2014

John David Hare Seventh Generation Charters, Inc. 350 Independence Road Rochester, WA 98579

Sent by Email and First Class Mail

RE: Operations Without Charter and Excursion Authority

Dear Mr. Hare:

Thank you for speaking with me today. As we discussed, Seventh Generation Charters, Inc.'s (Seventh Generation) application with the Washington Utilities and Transportation Commission (commission) for intrastate charter and excursion carrier authority is still being reviewed. As of today, you do not have authority to provide charter and excursion services for hire within Washington.

I advised you that we have documentation that Seventh Generation provided charter services on February 14 and 28, 2014. Our enforcement staff is reviewing this information now. You have committed to cancelling the transportation you have scheduled for the ski school this weekend.

By law, after the cancellation of a certificate, it is unlawful for a charter or excursion carrier to conduct any charter or excursion operations (RCW 81.70.260). Operating as a charter or excursion provider within Washington without the required certificate is illegal, is considered a gross misdemeanor, and is punishable as such (WAC 480-30-246).

Until and unless the commission grants Seventh Generation the proper authority, you must not provide charter and excursion services subject to commission regulation. If we determine that Seventh Generation provided passenger transportation subject to commission regulation without authority after today, we will pursue additional enforcement action.

John David Hare March 7, 2014 Page 2

If you have any questions, please contact Betty Young, Compliance Investigator, Transportation Safety, at (360) 664-1202 or by email at byoung@utc.wa.gov.

Sincerely,

David Pratt

Assistant Director, Transportation Safety

Enclosure

RCW 81.70.260

Unlawful operation after certificate or registration canceled, etc.

After the cancellation or revocation of a certificate or interstate registration or during the period of its suspension, it is unlawful for a charter party carrier or excursion service carrier of passengers to conduct any operations as such a carrier.

[1989 c 163 § 9; 1988 c 30 § 6.]

WAC 480-30-246

Sanctions for operating without a valid certificate.

- (1) Operating without a certificate.
- (a) If a representative of the commission or other law enforcement agency observes a company operating as a passenger transportation company without a certificate from the commission, that company is subject to a gross misdemeanor citation, for which the company must appear in court.
- (b) If the commission receives information that a company is operating as a passenger transportation company without a certificate, and a commission representative or other law enforcement agency has not observed those operations, the commission may:
 - (i) Issue a citation through the court; or
- (ii) Contact the company and provide education and technical assistance concerning applicable regulations. This includes giving the company a copy of the applicable laws, rules, and certificate application forms.
- (c) If the company continues to operate without a certificate after commission education and technical assistance is offered, the commission may begin an administrative proceeding to classify the company as a regulated company under RCW <u>81.04.510</u>. If, as a result of that proceeding, the commission formally classifies the company as an auto transportation company or a charter and excursion carrier operating without the required certificate, the commission will issue a cease and desist order under RCW <u>81.04.510</u>.
- (d) If a company operates in violation of a commission order, the commission may impose penalties and/or take legal action in court.
- (2) Operating while certificate is suspended. A company that operates after the commission suspends the company's certificate is subject to:
- (a) Misdemeanor or gross misdemeanor citations, for which the company must appear in district court;
 - (b) Monetary penalty assessments or other commission administrative actions; or
 - (c) Commission proceedings to cancel the company's certificate.
- (3) Operating after certificate is canceled. A company that continues to operate after the commission cancels the company's certificate is subject to:
- (a) Misdemeanor or gross misdemeanor citations, for which the company must appear in district court; and
- (b) Enforcement proceedings in superior court.
 [Statutory Authority: RCW <u>80.01.040</u>, 81.04.160, 81.12.050, 81.68.030, and 81.70.270. WSR 06-13-006 (General Order No. R-533, Docket No. TC-020497), § 480-30-246, filed 6/8/06, effective 7/9/06.]