

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright
 Shari Feist Albrecht

In the Matter of the Emergency Suspension of)
Operating Authority of **Royal Gem Howlett,**)
d/b/a Asphalt Maintenance of Wichita,)
Kansas, for Failure to Comply with New) Docket No. 14-TRAM-044-OOS
Entrant Safety Requirements as Required by the)
Motor Carrier Safety Statutes, Rules and)
Regulations.

EMERGENCY SUSPENSION OF OPERATING AUTHORITY ORDER

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) on its own motion. Having examined its files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

I. JURISDICTION AND BACKGROUND

1. Pursuant to K.S.A. 2012 Supp. 66-1,108b, 66-1,111, 66-1,112, 66-1,114, 66-1,114b and 66-1,115, the Commission is given full power, authority and jurisdiction to supervise and control motor carriers, as defined in K.S.A. 2012 Supp. 66-1,108, doing business or procuring business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.

2. Pursuant to K.S.A. 2012 Supp. 66-1,129a, 66-1,130, and 66-1,142b, the Commission may suspend operations, revoke, or amend certificates, and initiate sanctions or fines against every motor carrier and every person who violates any provision of

Kansas law in regard to the regulation of such motor carriers and persons, or who fails to obey any order, decision, or regulation of the Commission.

3. Pursuant to K.S.A. 2012 Supp. 66-1,129(a)(7), the Commission has adopted motor carrier transportation regulations (K.A.R. 82-4-1 *et seq.*) consistent with the federal motor carrier safety assistance program and other federal requirements concerning transportation of hazardous waste.

4. K.S.A. 2012 Supp. 77-536 governs the use of emergency proceedings.

The statute provides in part as follows:

- (c) A state agency may use emergency proceedings: (1) In a situation involving an immediate danger to the public health, safety or welfare requiring immediate state agency action or (2) as otherwise provided by law.
- (d) The state agency may take only such action as is necessary: (1) To prevent or avoid the immediate danger to the public health, safety or welfare that justifies use of emergency adjudication or (2) to remedy a situation for which use of emergency adjudication is otherwise provided by law.

II. FINDINGS OF FACTS

5. Royal Gem Howlett, d/b/a Asphalt Maintenance (Respondent) is a motor carrier as defined in K.S.A. 2012 Supp. 66-1,108 that operates commercial motor vehicle(s) in both intrastate and interstate commerce in a manner that requires authority.

6. Respondent is registered as a motor carrier with the U.S. Department of Transportation (USDOT) and operates under USDOT Number 2287014.

7. On July 5, 2013, the Federal Motor Carrier Safety Administration (FMCSA) forwarded a notice of violation(s) of the federal motor carrier safety regulations to Respondent, wherein Respondent was given 60 days to comply with the regulations.

8. As of July 16, 2013, FMCSA records indicate Respondent had not complied with new entrant requirements. As a result, the FMCSA issued Respondent an Order to Revoke "New Entrant" Registration And Cease All Interstate Transportation. FMCSA's Order is attached hereto.

III. STAFF'S RECOMMENDATIONS

9. Staff asks the Commission to find Respondent received sufficient notice from FMCSA of violations of motor carrier safety rules and regulations and requisite opportunity to correct the violations and to obtain compliance.

10. Staff asks that the Commission find Respondent failed to act upon FMCSA's notice.

11. Staff asks the Commission find that Respondent's failure to comply with requirements of a new entrant audit is sufficient evidence of unsafe motor carrier operations and as such poses a potential immediate threat to the safety and welfare of the public of the state of Kansas.

12. Based on the presented facts, Staff recommends the Commission issue an Emergency Suspension of Operating Authority Order until such time as Respondent takes the necessary steps to obtain compliance with the federal and state motor carrier safety rules and regulations and submits verifiable evidence of the same to Staff, at which time Staff will recommend to the Commission to enter an order of reinstatement of motor carrier operating authority.

13. Furthermore, Staff recommends the Commission order Respondent to attend a Commission-sponsored safety seminar within the next ninety (90) days, and to provide Staff with written proof of attendance.

IV. CONCLUSIONS OF LAW

14. The Commission finds it has jurisdiction over Respondent as the Respondent is a motor carrier as defined in K.S.A. 2012 Supp. 66-1,108.

15. The Commission finds Respondent received sufficient notice from FMCSA of violations of motor carrier safety rules and regulations and requisite opportunity to correct the violations and come into compliance.

16. The Commission finds Respondent failed to act upon this notice.

17. The Commission also finds Respondent's failure to comply with requirements of a new entrant audit is sufficient evidence of unsafe motor carrier operations and as such poses a potential immediate threat to the safety and welfare of the public of the state of Kansas and therefore this Commission orders the Respondent to suspend all intrastate motor carrier operations other than such motor carrier operations excepted from the Commission's regulation under K.S.A. 2012 Supp. 66-1,129, until such time as the carrier takes the necessary steps to become compliant, to include submitting to Staff verifiable evidence of the correction of the violation noted in FMCSA's July 16, 2013 Order, including, but not limited to, proof of federal reinstatement and attend a Commission-sponsored safety seminar within the next ninety (90) days. A schedule of dates and locations for the safety seminar can be found at the Commission's website http://www.kcc.state.ks.us/trans/safety_meetings.htm.

THE COMMISSION THEREFORE ORDERS THAT:

A. Royal Gem Howlett, d/b/a Asphalt Maintenance of Wichita, Kansas is to be immediately suspended from all intrastate commercial motor carrier operations other than such motor carrier operations excepted from the Commission's regulation under

K.S.A. 2012 Supp 66-1,129, until such time as Respondent presents verifiable evidence, including, but not limited to, proof of federal reinstatement, to Staff documenting the correction of the safety concerns identified in FMCSA's July 16, 2013 Order to Revoke "New Entrant" Registration And Cease All Interstate Transportation. This Emergency Suspension of Operating Authority Order may also attach and apply to the operations of successor entities, including any motor carrier entity or entities established or used to avoid the consequences of any Order to cease operations or suspending operating authority.

B. Royal Gem Howlett, d/b/a Asphalt Maintenance of Wichita, Kansas is hereby ordered to attend a Commission-sponsored safety seminar within the next ninety (90) days and provide Staff with written proof of attendance.

C. **Pursuant to K.S.A. 2012 Supp. 77-537 and K.S.A. 77-542, any party may request a hearing on the above issues by submitting a written request, setting forth the specific grounds upon which relief is sought, to the Commission's Executive Director, at 1500 S.W. Arrowhead Road Topeka, Kansas 66604 within fifteen (15) days from the date of service of this Order.** If service is by certified mail, return receipt requested, service of this order is complete when Royal Gem Howlett, d/b/a Asphalt Maintenance signs the Domestic Return Receipt. If service is by regular U.S. mail, service is complete upon the date of mailing plus three (3) days. Pursuant to K.S.A. 66-1,129a, hearings will be held within ten (10) days upon written request. Failure to timely request a hearing will result in a waiver of Respondent's right to a hearing, and this Order will become a Final Order against Respondent, suspending Respondent's motor carrier operations, ordering Respondent to attend a Commission-sponsored safety

seminar within the next ninety (90) days and provide Staff with written proof of attendance.

D. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record. A corporation shall not be permitted to enter an appearance, except by its attorney.

E. Failure to comply with the provisions of this Order may result in further sanctions to include, but not limited to, the assessment of civil penalties and/or the impoundment of commercial motor vehicles found operating in violation of this Order and any other remedies available to the Commission by law, without further notice.

F. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn; Wright, Com.; Albrecht, Com.

Dated: AUG 01 2013


ORDER MAILED AUG 02 2013

Kim Christiansen
Executive Director

AS



U.S. Department of
Transportation

**Federal Motor
Carrier Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

July 16, 2013

In reply refer to:
USDOT No.: 2287014

ROYAL GEM HOWLETT
SAFETY DIRECTOR
ROYAL GEM HOWLETT
ASPHALT MAINTENANCE
2920 EAST 33RD STREET
WICHITA, KS 67219

**ORDER TO REVOKE "NEW ENTRANT" REGISTRATION AND CEASE ALL INTERSTATE
TRANSPORTATION U.S. DOT Number: 2287014**

This Order is issued pursuant to 49 CFR 385.337(b). In a letter dated July 5, 2013 ROYAL GEM HOWLETT was notified that its New Entrant Registration would be revoked unless it agreed in writing within 10 days of July 5, 2013 to permit a Safety Audit to be performed. Because ROYAL GEM HOWLETT has failed to agree to the safety audit its New Entrant Registration is hereby revoked and ROYAL GEM HOWLETT's operations are placed out of service effective immediately. ROYAL GEM HOWLETT must immediately cease all Interstate motor carrier operations in the United States.

Failure to comply with this Order may subject the carrier to penalty provisions in 49 USC 521(b)(2)(A) not to exceed \$11,000 for each offense.

Under section 385.329, ROYAL GEM HOWLETT may reapply for new entrant registration no earlier than 30 days from the date of this Order. In accordance with 49 CFR 385.329, in order to reapply ROYAL GEM HOWLETT must submit an updated MCS-150 (Motor Carrier Identification Report), submit to a safety audit, and restart the 18-month new entrant monitoring period. Reapplication may be made via the FMCSA web site (<http://safer.fmcsa.dot.gov>) or by submitting a MCS-150 form. The form may be obtained by calling FMCSA's technical support at 1-800-832-5660 or via the FMCSA web site.

Sincerely,

Joseph P. DeLorenzo, Director, Office of
Enforcement and Compliance

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
AMBER SMITH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
ROYAL GEM HOWLETT, SAFETY DIRECTOR D/B/A ASPHALT MAINTENANCE 2920 E 33RD ST WICHITA, KS 67219		

ORDER MAILED AUG 02 2013

The Docket Room hereby certified that on this _____ day of _____, 20_____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.