

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

Before Commissioners: Jay Scott Emler, Chairman
Shari Feist Albrecht
Pat Apple

In the Matter of the Investigation of)
EKAN Crude, LLC of Colony,)
Kansas, Regarding the Violation of the)
Motor Carrier Safety Statutes, Rules and)
Regulations and the Commission's) Docket No. 15-TRAM-216-PEN
Authority to Impose Penalties, Sanctions)
and/or the Revocation of Motor Carrier)
Authority.)

ORDER SUSPENDING INTRASTATE MOTOR CARRIER OPERATIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. 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. 2015 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. 2015 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. 2015 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. 2015 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.

II. FINDINGS OF FACTS

4. EKAN Crude, LLC of Colony, Kansas (Respondent) is a motor carrier as defined in K.S.A. 2015 Supp. 66-1,108, that operates commercial motor vehicle(s) in intrastate commerce.

5. Respondent operates under USDOT Number 2257253.

6. On December 2, 2014, the Commission issued Respondent a penalty assessment for violations of the Kansas Motor Carrier Safety Statutes, Rules and Regulations discovered during a compliance review conducted on October 27, 2014, by Kansas Corporation Commission Special Investigator Michael Heenan. The penalty order provides for a follow-up safety compliance review in the next 18 months.

7. Special Investigator Verna Jackson has made numerous attempts to contact Respondent to facilitate a follow-up off-site safety compliance review on its operations as a motor carrier. The attempts included phone calls to Respondent, a letter mailed to Respondent on June 10, 2016, and an email to Respondent on July 6, 2016.

8. Ahsan Latif, Litigation Counsel, wrote and mailed Respondent a letter on August 11, 2016, informing Respondent that should it continue to resist by failing to respond, the Commission may suspend its motor carrier operations, revoke or amend

certificates, and/or initiate sanctions or fines against Respondent. The letter gave Respondent ten (10) days from the date of the letter to respond.

9. As of September 2, 2016, Special Investigator Verna Jackson and Litigation Counsel Ahsan Latif have not heard from Respondent to schedule a follow-up motor carrier safety compliance review.

10. On September 2, 2016, Commission Staff filed a Motion to Suspend Intrastate Motor Carrier Operations due to the carrier's failure to respond to schedule a safety compliance review.

11. In Staff's Motion, it asks the Commission to find Respondent received sufficient notices of the need to schedule a follow-up safety compliance review. It further asks that the Commission find Respondent failed to act upon Staff's attempts to notify Respondent.

12. Staff further asks the Commission find that Respondent's resistance to respond to Special Investigator Verna Jackson's attempts to contact and Litigation Counsel Ahsan Latif's letter dated August 11, 2016, poses a potential immediate threat to the safety and welfare of the public of the state of Kansas.

13. The Commission finds that Staff's recommendation to suspend Respondent's intrastate motor carrier operations is reasonable.

III. CONCLUSIONS OF LAW

9. The Commission finds it has jurisdiction over Respondent as the Respondent is a motor carrier as defined in K.S.A. 2015 Supp. 66-1,108.

10. The Commission finds Respondent received sufficient notices of the need to schedule a follow-up safety compliance review of its motor carrier operations.

11. The Commission finds Respondent intentionally failed to act upon these notices.

12. The Commission finds Respondent's failure to respond to Staff's attempts to contact is intentional 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. 2015 Supp. 66-1,129, until such time as the carrier takes the necessary steps to become compliant.

THE COMMISSION THEREFORE ORDERS THAT:

A. EKAN Crude, LLC of Colony, 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. 2015 Supp. 66-1,129, until such time as Respondent contacts Special Investigator Verna Jackson or Litigation Staff Ahsan Latif to schedule a follow-up safety compliance review on its motor carrier operations. This Suspension of Intrastate Motor Carrier Operations 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. Pursuant to K.S.A. 2015 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 Secretary, at 1500 S.W. Arrowhead Road Topeka, Kansas 66604 within fifteen (15) days from the date of service of this Order. Service of this order will be by certified mail, return receipt requested, and service is complete when Respondent signs the Domestic Return Receipt. 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.

C. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record. For civil penalties exceeding \$500, a corporation shall appear before the Commission by its attorney, unless waived by the Commission for good cause shown and a determination that such waiver is in the public interest. K.S.A. 77-515(c); K.A.R. 82-1-228(d)(2); K.A.R. 82-1-202(a). For civil penalties of \$500 or less, a corporation may appear by a duly authorized representative of the corporation. K.S.A. 2015 Supp. 66-1,142b(e) and amendments thereto.

D. 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.

E. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders, as necessary.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chair; Albrecht, Commissioner; Apple, Commissioner

SEP 13 2016

Dated: _____



Amy L. Green
Secretary to the Commission

AAL

Order Mailed Date

SEP 14 2016

CERTIFICATE OF SERVICE

15-TRAM-216-PEN

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on SEP 13 2016.

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/S/ DeeAnn Shupe

DeeAnn Shupe

Order Mailed Date

SEP 14 2016