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Kansas Corporation Commission

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the Matter of the Emergency Suspension of Operating Authority of **Sportsgear Outdoor Products LLC of Olathe, Kansas**, for Failure to Comply with New Entrant Safety Requirements as Required by the Motor Carrier Safety Statutes, Rules and Regulations.	))))))	Docket No. 18-TRAM-530-OOS

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. 2017 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. 2017 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. 2017 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. 2017 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. 2017 Supp. 77-536 governs the use of emergency proceedings. The statute provides in part as follows:

> (a) 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.
> (b) 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. Sportsgear Outdoor Products LLC (Respondent) is a motor carrier as defined in K.S.A. 2017 Supp. 66-1,108, that operates commercial motor vehicle(s) in 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 3098277.

7. On May 14, 2018, 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 10 days to comply with the regulations.

8. As of May 25, 2018, 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 that Respondent received sufficient notice from the FMCSA of the violation(s) of motor carrier safety rules and regulations, and a requisite opportunity to correct the violation(s) and to obtain compliance.

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

11. Staff asks the Commission to 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. After Respondent submits verifiable evidence of the same to Staff, Staff will recommend that the Commission enter an order reinstating the Respondent's motor carrier operating authority.

13. Furthermore, Staff recommends the Commission order Respondent to attend a Commission-sponsored safety seminar within ninety (90) days from the date of this Order, and to provide Litigation Counsel 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. 2017 Supp. 66-1,108.

15. The Commission finds Respondent received sufficient notice from the FMCSA of violation(s) of motor carrier safety rules and regulations and a requisite opportunity to correct the violation(s) and obtain 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. 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. 2017 Supp. 66-1,129, until such time as the carrier takes the necessary steps to become compliant. This includes submitting to Staff verifiable evidence of the correction of the violation(s) noted in FMCSA's May 25, 2018 Order including, but not limited to, proof of federal reinstatement and attendance of a Commission-sponsored safety seminar within ninety (90) days from the date of this Order. 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 proof of attendance at the safety seminar should be submitted to Litigation Counsel.

THE COMMISSION THEREFORE ORDERS THAT:

A. Sportsgear Outdoor Products LLC of Olathe, Kansas is to be immediately suspended from all intrastate Kansas commercial motor carrier operations, other than such

motor carrier operations excepted from the Commission's regulation under K.S.A. 2017 Supp. 66-1,129, until such time as Respondent presents to Staff verifiable evidence, including, but not limited to, proof of federal reinstatement documenting the correction of the safety concerns identified in the FMCSA's May 25, 2018 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 suspend operating authority.

B. Sportsgear Outdoor Products LLC of Olathe, Kansas, is hereby ordered to attend a Commission-sponsored safety seminar within ninety (90) days from the date of this Order and provide Litigation Counsel with written proof of attendance.

C. **Pursuant to K.S.A. 2017 Supp. 77-537 and K.S.A. 2017 Supp. 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.** On June 12, 2018, this Suspension Order was mailed to the carrier via certified mail, return receipt requested, Certified Mail No. 70161970000105745841. Service is deemed complete upon the date the carrier signs the Domestic Return Receipt. Pursuant to K.S.A. 2017 Supp. 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 intrastate operations, ordering

Respondent to attend a Commission-sponsored safety seminar within the next ninety (90) days and provide Litigation Counsel 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. 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. 2017 Supp. 66-1,142b(e) and amendments thereto.

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 orders, as necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 06/12/2018

Lynn M. Retz
Secretary to the Commission

AAL

U.S. Department of Transportation
Federal Motor Carrier Safety Administration

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

May 25, 2018

In reply refer to:
USDOT No.: 3098277

KEVIN QU
PRESIDENT
SPORTSGEAR OUTDOOR PRODUCTS LLC
ATHLON OPTICS
801 N MEADOWBROOK DR
OLATHE, KS 66062-5443

ORDER TO REVOKE "NEW ENTRANT" REGISTRATION AND CEASE ALL INTERSTATE TRANSPORTATION U.S. DOT Number: 3098277

This Order is issued pursuant to 49 CFR 385.337(b). In a letter dated May 14, 2018 SPORTSGEAR OUTDOOR PRODUCTS LLC was notified that its New Entrant Registration would be revoked unless it agreed in writing within 10 days of May 14, 2018 to permit a Safety Audit to be performed. Because SPORTSGEAR OUTDOOR PRODUCTS LLC has failed to agree to the safety audit its New Entrant Registration is hereby revoked and SPORTSGEAR OUTDOOR PRODUCTS LLC's operations are placed out of service effective immediately. SPORTSGEAR OUTDOOR PRODUCTS LLC 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, SPORTSGEAR OUTDOOR PRODUCTS LLC 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 SPORTSGEAR OUTDOOR PRODUCTS LLC 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

CERTIFICATE OF SERVICE

18-TRAM-530-OOS

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 06/13/2018.

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/S/ DeeAnn Shupe
DeeAnn Shupe