

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER T-37232

LOUISIANA PUBLIC SERVICE COMMISSION
VERSUS
LOUISIANA OILFIELD LOGISTICS, LLC

Docket No. T-37232, Cancellation of Common Carrier Certificate Nos. 8193 & 8194 for failure to maintain the required insurance coverage on file with the Commission pursuant to Commission's General Order dated October 13, 2023.

(Decided August 7, 2024.)

ORDER

Background

The Louisiana Public Service Commission (“Commission”) issued a citation to Louisiana Oilfield Logistics, LLC (“Carrier”) directing the Carrier to show cause at a hearing why its Common Carrier Certificate Numbers 8193 and 8194 should not be canceled due to the Carrier’s failure to maintain the required insurance coverage on file with the Commission as required by *General Order* dated October 13, 2023¹ (“2023 General Order”). When the hearing was convened on August 1, 2024, the Commission Staff appeared and presented testimonial and documentary evidence in support of its allegations. The Carrier did not appear at the hearing.

Applicable Law

The Commission’s jurisdiction over common carriers and public utilities is established by Article 4, Section 21 of the Louisiana Constitution of 1974, which provides in pertinent part:

[t]he [C]ommission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

Louisiana statutes more specifically describe the powers of the Commission over motor carriers operating intrastate for hire in the transportation of persons, household goods, and waste over the public highways and bridges of Louisiana. The business of operating motor vehicles for hire is a “business affected with a public interest”;² and, “[t]he [C]ommission has the power and authority necessary to supervise, govern, regulate, and control motor carriers . . . which transport household goods, passengers, or waste intrastate and to fix reasonable and just rates, fares, tolls, or charges for the commodities furnished or services rendered by such motor carriers.”³ Motor carriers

¹ Louisiana Public Service Commission *General Order* dated October 13, 2023, Louisiana Public Service Commission, ex parte (*Docket No. R-36830, In re: Possible amendments to General Order dated January 12, 1976 as it pertains to intrastate insurance filings for motor carriers.*).

² La. R.S. 45:161.

³ La. R.S. 45:163(A).

includes tow trucks.⁴ Companies engaged in the intrastate business of transporting household goods, passengers, or certain kinds of waste intrastate – non-hazardous oilfield wastes, non-hazardous industrial solid wastes, and hazardous wastes – are classified as “common carriers” subject to the Commission’s regulation.⁵ The Commission shall require insurance and indemnity bonds, including public liability and property damage insurance, written by companies qualified to do business in Louisiana.⁶

The 2023 General Order provides the Commission’s rules and regulations regarding required insurance filings for motor carriers, including that public liability and property damage insurance filings shall be made on a *Form E, Uniform Motor Carrier Bodily Injury and Property Damage Liability Certificate of Insurance* (“Form E”).⁷ The 2023 General Order specifies that when a lapse of insurance coverage occurs motor carriers are subject to citation and fine at an open hearing.⁸ A carrier’s certificate may be revoked after notice and hearing for failing to comply with applicable law or a Commission order.⁹ Additionally, the Commission’s *General Order* dated June 7, 2006 (“2006 General Order”) authorizes the imposition of a \$25 citation fee when a citation is issued to a Commission-jurisdictional motor carrier.¹⁰

The Commission Staff’s Case

The Commission Staff alleges that the Carrier failed to maintain proof of its bodily injury and property damage (“BI & PD”) insurance on file with the Commission in violation of the 2023 General Order; and, as a result, that the Carrier be found guilty as alleged, the Carrier’s Common Carrier Certificate Numbers 8193 and 8194 should be canceled and the Carrier assessed a \$25 citation fee per the 2006 General Order. In support of its allegations, the Commission Staff presented the testimony of Maegan Hood.

Testimony of Maegan Hood

Ms. Hood testified that she is an Enforcement Agent in the Commission’s Transportation Division, whose duties include receiving and reviewing insurance-related filings for motor carriers. Ms. Hood testified further regarding the Commission’s rules and processes for motor carrier insurance filings, stating that all carriers must submit a Form E for liability insurance

⁴ La. R.S. 45:162 (12).

⁵ See La. R.S. 45:162(5)(a).

⁶ La. R.S. 45:163 (D).

⁷ 2023 General Order at ordering paragraph (1)(2).

⁸ *Id.* at ordering paragraph (1)(14).

⁹ La. R.S. 45:166(A).

¹⁰ Louisiana Public Service Commission *General Order* dated June 7, 2006, *In re: Revisions to the Transportation Bond Schedule and Transportation Fee Schedule*.

pursuant to the 2023 General Order and that La. R.S. 45:166 authorizes cancellation of the Carrier's authority. Ms. Hood testified that the Carrier is a permitted saltwater and waste carrier.

Ms. Hood attested that, on February 19, 2024, the Commission's Transportation Division received a Form K¹¹ from Progressive County Mutual Insurance Company indicating that the Carrier's BI & PD insurance policy would be canceled effective March 25, 2024. Ms. Hood testified that on April 5, 2024, she prepared a notice of cancellation to the Carrier bearing the signature of Tammy Burl, Transportation Administrator. Per Ms. Hood, this letter notified the Carrier to have its insurer submit a correct, current Form E and the consequences for non-compliance. Ms. Hood stated she mailed the notice to the Carrier at its address on file with the Commission via United States Postal Service ("USPS") regular mail.

According to Ms. Hood, the Carrier did not submit a Form E following issuance of the April 5, 2024 notice of cancellation; therefore, on May 22, 2024, she prepared and mailed a tentative hearing letter to the Carrier at its address on file via USPS regular mail and email. A copy of the notice of cancellation was attached to the tentative hearing letter. Ms. Hood stated the letter notified the Carrier that a hearing had been tentatively scheduled for August 1, 2024, and that a citation would be issued if the Carrier did not submit proof of insurance on or before June 5, 2024.

Ms. Hood explained that the Commission did not receive a Form E after she sent the tentative hearing letter. Consequently, the Commission's Transportation Division mailed a citation to the Carrier on June 18, 2024, advising the Carrier that it must appear at a hearing on August 1, 2024, that an order may be issued canceling its authority, and that a \$25 citation fee had been assessed to its account. Attached to the citation were the April 5, 2024 cancellation notice and the May 22, 2024 tentative hearing letter.

Ms. Hood testified that the citation was mailed via USPS regular mail and certified mail return receipt requested to the Carrier's address on file with the Commission. Ms. Hood advised that notice of the proceeding was published in the Commission's *Official Bulletin* dated June 21, 2024. Ms. Hood stated that the citation sent via regular mail was not returned for any reason, and that the certified mail was claimed. Ms. Hood identified the signed certified mail return receipt

¹¹ The Commission is notified of the cancellation or expiration of a carrier's insurance through the receipt of a Form K Uniform Notice of Cancellation of Motor Carrier Insurance Policies ("Form K").

indicating a delivery date of June 25, 2024, noting that the last four digits of the certified mail tracking number match that on the citation.

Ms. Hood testified that, as of the time of the hearing, the Carrier had neither an updated Form E on file with the Commission, nor filed the appropriate documents to close its LPSC certificate. Ms. Hood stated that the Commission Staff is seeking that the Carrier be found guilty of failure to maintain required insurance filings, that Common Carrier Certificate Numbers 8193 and 8194 be canceled, and that the Carrier be required to pay the \$25 citation fee.

In connection with her testimony, Ms. Hood identified the following documents which were admitted:

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| Staff Exhibit 1 | A copy of the Form K stamped received by the Commission on February 19, 2024, issued by Progressive County Mutual Insurance Company reflecting an effective cancellation date of March 25, 2024, for a BI & PD insurance policy issued to the Carrier. |
| Staff Exhibit 2 | A copy of correspondence on Commission Transportation Division letterhead, dated April 5, 2024, bearing the signature of Tammy Burl, Transportation Administrator, addressed to the Carrier with the subject line “RE: CANCELLATION OF INSURANCE FILING WITH THE COMMISSION.” |
| Staff Exhibit 3, <i>in globo</i> | A copy of correspondence on Commission letterhead, dated May 22, 2024, bearing the signature of Maegan Hood, Enforcement Agent, addressed to the Carrier, with the subject line “RE: Insurance” with a copy of the correspondence dated April 5, 2024 (Staff Exhibit 2). |
| Staff Exhibit 4, <i>in globo</i> | A copy of the citation to the Carrier marked with certified mail return receipt number 7002 2030 0002 6571 0388 with a mailout date of June 18, 2024, with attached copies of the April 5, 2024 and May 22, 2024 letters (Staff Exhibit 3, <i>in globo</i>). And, |
| Staff Exhibit 5 | A copy of the front and back of the certified mail return receipt (receipt number 7002 2030 0002 6571 0388) bearing a signature, and “6/25/24” in the “Complete This Section on Delivery” section, stamped received by the Commission’s Transportation Division on June 28, 2024. |

After the presentation of its evidence, Commission Staff reiterated that it is requesting that the Commission issue an order finding the Carrier guilty of failing to maintain required insurance on file with the Commission, canceling Common Carrier Certificate Numbers 8193 and 8194, and ordering the Carrier to pay a \$25 citation fee.

Findings of Fact and Conclusions of Law

From the evidence presented at the hearing, we make the following findings of fact and conclusions of law:

Findings of Fact

1. The Carrier is an LPSC-regulated saltwater and waste carrier that currently holds Common Carrier Certificate Numbers 8193 and 8194.
2. On February 19, 2024, the Commission received a Form K from Progressive County Mutual Insurance Company advising that the Carrier's BI & PD insurance would be canceled effective March 25, 2024.
3. On April 5, 2024, the Commission's Transportation Division mailed a letter via USPS regular mail to the Carrier at its address on file with the Commission advising that the Commission received a Form K on February 19, 2024, the Carrier's BI & PD insurance was canceled effective March 25, 2024, and the Commission had not received proof of replacement coverage. The letter instructs the Carrier regarding the process for replacement insurance, the consequences for failing to provide replacement insurance, and to cease operations until replacement insurance is filed.
4. On May 22, 2024, the Commission's Transportation Division emailed and mailed a letter via USPS regular mail to the Carrier at the address on file with the Commission advising that the Carrier's common carrier certificate had been flagged for failure to maintain the required insurance coverage on file with the Commission. The letter provides that if proof of replacement insurance is not filed by June 5, 2024, the Commission would issue a citation and that a hearing on the matter had been tentatively scheduled for August 1, 2024.
5. The Commission did not receive a Form E for the Carrier. On June 18, 2024, the Transportation Division mailed a citation via USPS regular mail and certified mail return receipt requested (receipt number 7002 2030 0002 6571 0388) to the Carrier's address on file with the Commission directing the Carrier to appear at a hearing on August 1, 2024. Notice of the proceeding was published in the Commission's *Official Bulletin* on June 21, 2024.
6. The signed certified mail receipt for the citation (receipt number 7002 2030 0002 6571 0388) was received by the Commission's Transportation Division on June 28, 2024, indicating it was delivered to the Carrier's address on June 25, 2024.
7. The Carrier did not appear at the August 1, 2024 hearing, and as of the time of the hearing, the Commission had neither received a replacement Form E nor any documents to close the Carrier's LPSC account.

Conclusions of Law

1. At the hearing in this matter, the Commission Staff had the burden of proving its allegations against the Carrier. Because the Carrier did not appear at the hearing, the Commission Staff also had the burden of demonstrating that the Carrier was provided fair notice of the hearing and the opportunity to present a defense. La. R.S. 45:1166 provides that a permit may be revoked "after notice and hearing for failure to comply with any provision of R.S. 45:161 through 45:172, or with any lawful order, rule or regulation of the [C]ommission . . ."
2. Pursuant to its constitutional and statutory authority, the Commission has adopted the *Rules of Practice and Procedure*. Pertinent to this proceeding, Commission Rules 7 and 19 provide for notice of non-criminal proceedings through publication in the Commission's *Official Bulletin*, as well as through service "through any means whereby proof of receipt or unclaimed status can be shown" to "the last known place of address of the person entitled to receive such notice . . ."¹²
3. Pursuant to constitutional and legislative mandate, and Commission orders adopted pursuant thereto, the Commission has the authority to regulate motor carriers and to ensure that such entities maintain levels of insurance required by statute and by Commission General Orders. The 2023 General Order provides that public liability and property damage insurance filings shall be made on a Form E.

¹² *Special Order Number. 72-2021* dated November 22, 2001, Louisiana Public Service Commission, ex parte, *In re: Possible implementation of Interim Rule 7 of the Commission's Rules of Practice and Procedure (Service of Process) and possible revision to the Commission's Rules.*

4. The Commission Staff demonstrated through testimonial and documentary evidence, chiefly the signed certified mail return receipt (receipt number 7002 2030 0002 6571 0388), that the Carrier received notice of the hearing and Commission Staff's allegations on June 25, 2024. Thus, the Carrier had the opportunity to appear and present a defense.
5. In this proceeding, the Commission Staff established through testimonial and documentary evidence that the Carrier failed to provide a Form E indicating that its BI & PD liability insurance coverage had been extended beyond the March 25, 2024 cancellation date stated in the Form K. Thus, we find that the Carrier failed to maintain the required proof of insurance coverage filing, a Form E, on file with the Commission as required by the 2023 General Order. Accordingly, we find that the Carrier is guilty of violating the 2023 General Order.
6. We conclude that the Carrier's failure to maintain proof of effective insurance coverage through the filing of a Form E constitutes a failure to comply with applicable law and Commission orders; thus, cancellation of the Carrier's Common Carrier Certificate is appropriate pursuant to La. R.S. 45:166.
7. The 2006 General Order allows for the imposition of a \$25 fee for the issuance of a citation by the Commission. Therefore, it is appropriate to require the Carrier to pay the \$25 citation fee.

Conclusion

In accordance with the findings of fact and conclusions of law stated above:

IT IS ORDERED that Common Carrier Certificate Numbers 8193 and 8194, currently issued to Louisiana Oilfield Logistics, LLC, are CANCELED due to the failure of Louisiana Oilfield Logistics, LLC to maintain proof of insurance coverage on file with the Commission.

IT IS FURTHER ORDERED that Louisiana Oilfield Logistics, LLC pay a \$25 citation fee to the Commission.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
 August 7, 2024



BRANDON M. FREY
SECRETARY

/S/ MIKE FRANCIS
DISTRICT IV
CHAIRMAN MIKE FRANCIS

/S/ DAVANTE LEWIS
DISTRICT III
VICE CHAIRMAN DAVANTE LEWIS

/S/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL

/S/ ERIC F. SKRMETTA
DISTRICT I
COMMISSIONER ERIC F. SKRMETTA

/S/ CRAIG GREENE
DISTRICT II
COMMISSIONER CRAIG GREENE