

ORIGINAL

Decision No. 88620 MAR 21 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the status, rules, regulations, equipment, and practices of AMERICAN TRANSFER CO., a California corporation.

Case No. 10246
(Filed January 25, 1977)

Handler, Baker & Greene, by William D. Taylor, Attorney at Law, for respondent.

James R. Foote, for Associated Independent Owner-Operators, Inc., interested party.

James S. Rood, Attorney at Law, for the Commission staff.

O P I N I O N

On January 25, 1977 the Commission instituted this investigation to determine, among other things, what steps should be taken by American Transfer Co. to comply with the laws, rules, and regulations governing safety and adequacy of its operations, services, facilities, and equipment and what order or orders should be issued by the Commission to assure such compliance.

In interim Decision No. 87068 issued March 9, 1977 after public hearing held February 10, 1977, respondent was ordered to "...comply with the requirements of its stipulated agreement with the Commission staff and the California Highway Patrol directed at upgrading rolling equipment and operating practices to levels that satisfy applicable safety regulations." At the further hearing held December 1, 1977 a witness from the California Highway Patrol (CHP) testified that inspections of respondent's rolling equipment and operating practices were conducted during October and November 1977; that needed improvement had been made by respondent;

and that each of respondent's terminals, except San Jose, was rated "B". A "B" rating denotes that the terminal, its maintenance practices, its driver logs, and its vehicles are in reasonably good condition.

San Jose was rated "C". It is respondent's smallest terminal (i.e., responsible for only six of respondent's 150 units) and is expected to improve. The improvement should come about through the continuation of programs to which respondent is committed which assure its equipment and practices satisfy applicable safety regulations.

The CHP, the Commission staff, and the respondent have indicated their agreement to a disposition of this matter which is consistent with:

- (1) A Commission staff recommendation for a \$5,000 fine, payable in one year unless suspended, for past safety violations;
- (2) Respondent's acquiescing to the above staff recommendation;
- (3) CHP's intention to file a summary report with this Commission by early December 1978 indicating whether respondent's terminals have maintained their ratings; and
- (4) (a) If no terminal is downrated in that summary report, the \$5,000 fine is automatically suspended.
(b) If one or more terminals are downrated, the investigation is automatically reopened.

Discussion

The respondent allowed its equipment and operating practices to deteriorate below minimum safety requirements. Such practices jeopardize public safety on the highways and gives us great concern. We commend the highway patrol for its efforts, and for bringing the serious problem to our attention. It appears positive steps are under way to resolve the matter. The respondent should be put on notice, however, that if its operations again

pose a serious safety hazard, we will be prepared to impose more stringent penalties (e.g. suspension or revocation).

Findings

1. The CHP administers motor carrier safety regulations (Article 2 of subchapter 6 of Chapter 2 of the California Administrative Code). To monitor compliance with the law, it conducts inspections at terminals, weigh stations, and elsewhere. The inspections are part of its motor carrier safety program, which has as its objective the safety of the motoring public and safe movement of goods in California.

2. In Decision No. 87068, supra, we found that the "respondent has conducted highway carrier operations in repeated violation of applicable safety regulations."

3. Respondent has taken appropriate corrective action and asserts it is committed to a continuation of programs to assure compliance with applicable safety regulations.

The Commission concludes that a \$5,000 fine should be levied pursuant to Public Utilities Code Section 1070, that provision be made for suspending the fine, and that this investigation be terminated as set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. American Transfer Co. shall pay a fine of \$5,000 to this Commission pursuant to Public Utilities Code Section 1070 on February 15, 1979. Said fine shall automatically be suspended if the summary report by the California Highway Patrol on its October/November 1978 inspection of respondent's operations and practices is filed (in triplicate) with this Commission on or before January 2, 1979, and the rating of each of respondent's terminals is "B" or better in the summary report so filed.

2. This investigation is terminated.

The Executive Director of the Commission shall cause personal service of this order to be made upon American Transfer Co. The effective date of this order shall be thirty days after completion of the service.

Dated at San Francisco, California, this 21st day of MARCH, 1978.

Robert Bohm
President
William S. Gorman
William L. Strayer
Charles A. Shultz
Paul J. Delaney
Commissioners