

Decision 99-03-042 March 18, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Jose Luis Ayala-Aroche dba: El Corre Caminos to acquire and Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba: El Corre Caminos to transfer a certificate of public convenience and necessity to operate as a passenger stage corporation and certain assets.

Order of Instituting Investigation into the operations of Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba: El Corre Caminos.

Mark K. Sneed and Jose Luis Ayala-Aroche dba: El Corre Caminos to amend certificate of public convenience and necessity to operate as a passenger stage corporation (P.O. Box 1557, San Anselmo, CA 94979 (415) 455-9151).

ORIGINAL

Application 97-10-069
(Filed October 22, 1997,
amended June 2, 1998)

Investigation 98-07-039
(Filed July 23, 1998)

Application 98-07-063
(Filed July 30, 1998)

O P I N I O N

Summary

A Settlement Agreement is approved which contains Respondent's admission of violation of the statutes and General Orders of the Commission, fines Respondent, places Respondent on probation for one year, and grants the transfer of ownership of Respondent and amendment of its passenger stage certificate, as requested.

Discussion

This proceeding was begun in 1997 with a request by Jose Luis Ayala-Aroche and Mark Sneed (Applicants), partners doing business as El Corre Caminos, to transfer passenger stage certificate PSC-8659 and certain operating

equipment and assets to Jose Luis Ayala-Aroche, pursuant to Public Utilities (Pub. Util.) Code Section 851 *et seq.*. According to the application, El Corre Caminos presently operates an on-call, door-to-door airport shuttle between all points in San Bernardino and Riverside Counties and Ontario (ONT), Los Angeles (LAX), and San Diego (SAN) International Airports. It also operates regularly scheduled service between several points in Southern California.

The application was amended on June 2, 1998 to correct the financial statement of Ayala-Aroche, and now indicates a net worth of \$118,733. The amendment also clarified the assets that were to be transferred.

On July 23, 1998 the Commission instituted Investigation (I.) 98-07-039 into the operations of Sneed and Ayala-Aroche (Respondents), dba El Corre Caminos. In particular, the Commission was concerned with allegations of the Rail Safety and Carriers Division (RSCD) concerning drivers not enrolled in the Department of Motor Vehicle Pull Notice Program, drivers not properly licensed to drive, unsafe equipment practices, failure to report equipment to the Commission, and operations beyond the scope of its authority. RSCD had given notice of these concerns by filing a protest to Application (A.) 97-10-069 on December 3, 1997. The Prehearing Conference of January 16, 1998 also contained a discussion of an impending effort of the RSCD to obtain an Order Instituting Investigation. This was the order that issued on July 23, 1998.

On July 29, 1998 Applicants filed A.98-07-063, pursuant to Pub. Util. Code Section 1032, to amend their existing passenger stage certificate. This application acknowledges A.97-10-069 and I.98-07-039 and attempts to bring its certificate of public convenience and necessity into alignment with its operations.

Negotiations between RSCD and Applicants/Respondents resulted in the filing of a Stipulated Agreement dated January 9 and January 13, 1999, and a

motion by RSCD, dated January 26, 1999, asking that we adopt the Stipulated Agreement.

The Stipulated Agreement contains the admission of Applicants/Respondents to all of the allegations in I.98-07-039.¹ Applicants/Respondents further agree that "...these violations may be used in subsequent proceedings dealing with the licensing of Sneed or Ayala-Aroche, or any other enforcement proceedings." (Stipulation A.) The Stipulated Agreement further agrees that the requested authority in A.97-10-069, as proposed by A.98-07-063 should be granted as a one-year temporary operating authority. Within 90 days prior to the expiration of that one-year authority Ayala-Aroche may petition the Commission to make the operating authority permanent. (Stipulation B.) RSCD will not oppose the petition for permanent authority if Ayala-Aroche complies with the terms and conditions of the Settlement Agreement. (Stipulation C.) During the probationary period RSCD may present evidence of violations similar to those alleged in I.98-07-039 and seek revocation of Ayala-Aroche's operating authority. (Stipulation D.)

Conditions of probation within the Stipulated Agreement include a requirement that Ayala-Aroche, dba El Corre Caminos, submit proof that all drivers are listed in the California Department of Motor Vehicles Pull Notice Program, that an equipment list be submitted to the RSCD and El Corre Camino's liability insurance carrier, and that driver enumerated equipment inspection records be available to RSCD personnel. These records will be furnished and made available to RSCD every three months during the probation period. (Settlement Agreement B., 1, 2, and 3.) Driver drug testing, license

¹ A copy of the actual Stipulated Agreement is attached to this decision.

verification and equipment safety inspection and maintenance must also be supplied to RSCD any time there is a change in status of any of these items. (Settlement Agreement E., 4.)

Applicants/Respondents agree to a fine of \$20,000, with \$10,000 held in forbearance during the probationary period. The fine is to be paid in monthly sums of \$833, for 11 months and a final payment of \$10,837. Within 90 days of the expiration of the probationary period Respondents may petition to be excused from the \$10,000 held in forbearance. If RSCD agrees that the terms of the probation and payment of the monthly fine has been met it will join in this petition. (Stipulated Agreement E.)

Finally, the parties agree to waive the 30-day public review and comment period required under Pub. Util. Code Section 311(g)(1).

A.97-10-069 was filed before the effective date of Senate Bill 960. It was consolidated with I.98-07-039, which was determined to be adjudicatory. (I.98-07-039, p. 7.) A.98-07-069 was consolidated with A.97-10-069 and I.98-07-039 at a prehearing conference held on September 22, 1998. (Tr. 22.) There has been no protest to categorizing all of these matters as adjudicatory.

We commend Applicants/Respondents and RSCD for the efforts both have exercised in reaching a stipulated agreement of these matters. We find the agreement to be in the public interest and a saving of time and expense of Applicants/Respondents, RSCD, and the taxpayers of California. We fondly hope that similar arrangements can be made in other matters of this nature.

Findings of Fact

1. Sneed and Ayala-Aroche, a partnership dba El Corre Caminos, hold a passenger stage certificate granted by this Commission.
2. By A.97-10-069 Sneed seeks to transfer his share of El Corre Caminos to Ayala-Aroche. There are no protests to this transfer.

3. By A.98-07-063 Sneed and Ayala-Aroche wish to amend the certificate of public convenience and necessity under which El Corre Caminos operates.

4. This Commission opened a formal investigation into the operations and practices of Sneed and Ayala-Aroche in I.98-07-039.

5. Sneed and Ayala-Aroche have entered into a Stipulated Agreement with RSCD admitting all of the allegations contained in I.98-07-039.

6. Sneed, Ayala-Aroche, and RSCD have agreed on provisions under which the requested relief in A.97-10-069 and A.98-07-063 would be granted for a period of one year, subject to the provisions of the Stipulated Agreement.

7. Sneed, Ayala-Aroche, and RSCD have agreed on a fine and the terms of payment of that fine in settlement of I.98-07-039.

8. RSCD has moved that the Stipulated Agreement, attached to this decision, be adopted by the Commission.

9. The parties have waived the 30-day public review and comment period required by Pub. Util. Code Section 311(g)(1).

Conclusions of Law

1. The Commission finds that the Stipulated Agreement between Sneed, Ayala-Aroche and RSCD attached to this decision, which admits all of the charges in I.98-07-039, agrees to pay a monetary fine of up to \$20,000, approves the transfer of the certificate requested in A.97-10-060, approves the changes in that certificate requested in A.98-07-069, and places the operating authority of this carrier on one year probation, is fair to the parties and in the public interest.

2. The motion of RSCD to adopt the Stipulated Agreement should be granted.

3. The transfer and authority from Jose Luis Ayala-Aroche and Mark K. Sneed to Jose Luis Ayala-Aroche should be granted.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity granted to Mark K. Sneed and Jose Luis Ayala (applicants), a partnership, authorizing them to operate as a passenger stage corporation; as defined in Public Utilities (Pub. Util.) Code § 226, to transport persons and their baggage, between the points and over the routes set forth in Appendix PSC-8659 of Decision (D.) 94-07-042, is amended by replacing Original Pages 2 and 3, with First Revised Pages 2 and 3, and Original Page 4.

2. By August 1, 1999, Mark K. Sneed and Jose Luis Ayala (transferors), a partnership, may sell and transfer the operative rights specified in Application 97-10-069, as amended, to Jose Luis Ayala-Roche (transferee), subject to the conditions contained in the following paragraphs.

3. Applicants and transferee shall:

- a. File with the Rail Safety and Carriers Division a written acceptance of this certificate. The transferee shall file a copy of the bill of sale or other transfer document within 30 days after the transfer.
- b. Amend or reissue applicants' or transferors' tariffs and timetables, within 120 days after this order is effective.
- c. State in the tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 101, 104, and 158, and the California Highway Patrol (CHP) safety rules.
- e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.

- f. Maintain accounting records in conformity with the Uniform System of Accounts.
- g. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 403 when notified by mail to do so.
- h. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- i. Enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code.

4. If the transfer is completed, on the effective date of the tariff, a certificate of public convenience and necessity is granted to transferee authorizing him to operate as a passenger stage corporation, as defined in Pub. Util. Code § 226, between the points and over the routes set forth in Appendix PSC-11518 to transport persons and their baggage.

5. The certificate of public convenience and necessity granted by D. 94-07-042, as amended, revoked on the effective date of the tariffs filed by the transferee.

6. Before beginning service to any airport, transferee shall notify the airport's governing body. Transferee shall not operate into or on airport property unless such operations are also authorized by the airport's governing body.

7. Transferee or the applicants are authorized to begin operations on the date that the Rail Safety and Carriers Division mails a notice to transferee and applicants that their evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of applicant's or transferee's vehicles for service.

8. The certificate of public convenience and necessity to operate as a passenger stage corporation (PSC-11518), granted herein, expires, unless exercised by August 1, 1999.

9. The extension of the certificate of public convenience and necessity to operate as a passenger stage corporation (PSC-8659), granted herein, expires,

unless exercised within 120 days after the effective date of this order or transferred, as authorized in Ordering Paragraph 2, by August 1, 1999.

10. The Stipulated Agreement between Sneed, Ayala-Roche and the Rail Safety and Carriers Division attached to this decision is adopted in its entirety.

11. Since all parties to the proceeding have joined in the Stipulated Agreement this decision is made effective on the date it is signed.

12. This proceeding shall remain open during the one-year probationary period of the authorizations granted herein, and for such time thereafter as is required to act on any petitions filed pursuant to this decision.

This order is effective today.

Dated March 18, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

RSCD/MM

Appendix PSC-11518

Jose Luis Ayala-Roche
(an individual)

Original Title Page

**CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-11518**

Showing passenger stage operative rights, restrictions, limitations, exceptions, and
privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

Supersedes the authority
heretofore granted to
Mark K. Sneed and Jose Luis Ayala, a partnership, by D.94-07-042.

Issued under authority of Decision 99-03-042, dated March 18, 1999, of the Public Utilities
Commission of the State of California in Application 97-10-069.

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Issued by California Public Utilities Commission.

Decision 99-03-042, Application 97-10-069.

**SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.**

This certificate supersedes all passenger stage operative authorities granted to Mark K. Sneed and Jose Luis Ayala, a partnership.

Jose Luis Ayala-Aroche, an individual, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, are authorized to transport passengers and their baggage between points and places, over and along the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- a. When a route description is given in one direction, it applies to operations in either direction unless otherwise indicated.
- b. Scheduled service will be operated only at the designated service area as described in Section II. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable.
- c. No inter-city or intra-city transportation of passengers are authorized, except those specified and described in Section II.
- d. This certificate does not authorize the holder to conduct any operation on the property of or into any airport unless such operation is authorized by the airport authority involved.
- e. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of a passenger. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.

Issued by California Public Utilities Commission.

Decision 99-03-042, Application 97-10-069.

SECTION II. SERVICE AREAS.

A. Airport Operations.

1. All points within the geographical limits of San Bernardino and Riverside Counties.
2. International Airports of Ontario (ONT), Los Angeles (LAX), and San Diego (SAN).

Restriction: No passengers shall be transported except those having a point of origin or destination described in Section IIA2.

B. San Diego Ports of Entry Operations.

1. San Ysidro and Otay Mesa, San Diego County.
2. Corona, Moreno Valley, Perris, Sun City, Murrieta and Temecula (Riverside County), and Escondido (San Diego County).
3. City of Fontana, (San Bernardino County). The Fontana service area includes Fontana, Bloomington, Colton, Mira Loma, Ontario, Rancho Cucamonga Rialto, Riverside, and San Bernardino.
4. City of Pomona (Los Angeles County). The Pomona service area includes Pomona, Chino, Claremont, Montclair, Ontario, and Upland.

Restriction: No passengers shall be transported except those having a point of origin or destination described in Section IIB1.

SECTION III. ROUTE DESCRIPTIONS.

ON-CALL SERVICE

Route A - Airport service

Commencing at ONT, LAX or SAN, as described in Section IIB, then over the most convenient streets, expressways, and highways to any point within the service area described in Section IIA.

***(1)Route B - Fontana Service Area**

Commencing from any point, as described in Section IIB1, then over the most convenient streets, expressways, and highways to any point to the City of Fontana.

***(1)Route C - Pomona Service Area**

Commencing from any point, as described in Section IIB2, then over the most convenient streets, expressways, and highways to any point to the City of Pomona.

(1) Routes B and C are to be operated only in conjunction with Route 2, named below.

Issued by California Public Utilities Commission.
Decision 99-03-042, Application 97-10-069.

SECTION III. ROUTE DESCRIPTIONS (concluded).

SCHEDULED SERVICE

Route 1 - San Ysidro/Otay Mesa

Commencing from San Ysidro, San Diego County, then over the most convenient streets, expressways, and highways to Otay Mesa, San Diego County.

Route 2 - San Ysidro/Pomona/Fontana

Commencing from the Cities of Fontana and Pomona, then over the most convenient streets, expressways, and highways to (f)Corona, (f)Moreno Valley, (f)Perris, (f)Sun City, (f)Murrieta, (f)Temecula, (f)Escondido and to San Ysidro or Otay Mesa.

(f) *By Reservation only.* The tariff and timetable shall indicate the terms, conditions, arrival and departure times, and stop points.

Issued by California Public Utilities Commission.

Decision 99-03-042, Application 97-10-069.

**SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.**

Mark K. Sneed and Jose Luis Ayala, a partnership, by the certificate of public convenience and necessity granted by the *revised decision noted in the foot of the margin, are authorized to transport passengers and their baggage between points and places, over and along the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- a. This certificate does not authorize the holder to conduct any operation on the property of or into any airport unless such operation is authorized by the airport authority involved.
- b. When a route description is given in one direction, it applies to operations in either direction unless otherwise indicated.
- *c. No inter-city or intra-city transportation of passengers are authorized, except those specified and described in Section II.
- d. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of a passenger. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.

Issued by California Public Utilities Commission.

*Revised by Decision 99-03-042, Application 98-07-063.

SECTION II. SERVICE AREAS.

A. Airport Operations.

1. All points within the geographical limits of San Bernardino and Riverside Counties.
2. International Airports of Ontario (ONT), Los Angeles (LAX), and San Diego (SAN).

***Restriction:** No passengers shall be transported except those having a point of origin or destination described in Section IIA2.

*B. San Diego Ports of Entry Operations.

1. San Ysidro and Otay Mesa, San Diego County.
2. Corona, Moreno Valley, Perris, Sun City, Murrieta and Temecula (Riverside County), and Escondido (San Diego County).
3. City of Fontana, (San Bernardino County). The Fontana service area includes Fontana, Bloomington, Colton, Mira Loma, Ontario, Rancho Cucamonga Rialto, Riverside, and San Bernardino.
4. City of Pomona (Los Angeles County). The Pomona service area includes Pomona, Chino, Claremont, Montclair, Ontario, and Upland.

Restriction: No passengers shall be transported except those having a point of origin or destination described in Section IIB1.

SECTION III. ROUTE DESCRIPTIONS.

ON-CALL SERVICE

Route A - Airport service

Commencing at ONT, LAX or SAN, as described in Section IIB, then over the most convenient streets, expressways, and highways to any point within the service area described in Section IIA.

Issued by California Public Utilities Commission.

*Revised by Decision 99-03-042, Application 98-07-063.

SECTION III. ROUTE DESCRIPTIONS (concluded).

*** (1) Route B - Fontana Service Area**

Commencing from any point, as described in Section IIB1, then over the most convenient streets, expressways, and highways to any point to the City of Fontana.

*** (1) Route C - Pomona Service Area**

Commencing from any point, as described in Section IIB2, then over the most convenient streets, expressways, and highways to any point to the City of Pomona.

(1) Routes B and C are to be operated only in conjunction with Route 2, named below.

SCHEDULED SERVICE

Route 1 - San Ysidro/Otay Mesa

Commencing from San Ysidro, San Diego County, then over the most convenient streets, expressways, and highways to Otay Mesa, San Diego County.

Route 2 - San Ysidro/Pomona/Fontana

Commencing from the Cities of Fontana and Pomona, then over the most convenient streets, expressways, and highways to (f)Corona, (f)Moreno Valley, (f)Perris, (f)Sun City, (f)Murrieta, (f)Temmecula, (f)Escondido and to San Ysidro or Otay Mesa.

***Route 3 - deleted.**

***Route 4 - deleted.**

(f) By Reservation only. The tariff and timetable shall indicate the terms, conditions, arrival and departure times, and stop points.

Issued by California Public Utilities Commission.

*Revised by Decision 99-03-042, Application 98-07-063.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Jose Luis Ayala-Aroche dba El Corre Caminos to acquire and Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba El Corre Caminos to transfer a certificate of public convenience and necessity to operate as a passenger stage corporation and certain other assets.

A.97-10-069

Order Instituting Investigation into the operations of Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba El Corre Caminos.

I.98-07-039
(Filed July 23, 1998)

Mark K. Sneed and Jose Luis Ayala-Aroche dba El Corre Caminos to amend certificate of Public Convenience and Necessity to operate as a passenger stage corporation.

A.98-07-063

STIPULATED AGREEMENT

This Stipulated Agreement is entered into by and between the Carriers Branch of the Rail Safety and Carriers Division of the Public Utilities Commission, and Mark K. Sneed and Jose Luis Ayala-Aroche, dba El Corre Caminos. The effective date of this agreement shall be the date of its approval and adoption by the California Public Utilities Commission.

The Commission regulates Passenger Stage Corporation and Charter-Party Carrier services pursuant to Article XII of the California Constitution, and Public Utilities Code § 1031 et seq. and § 5351 et seq. and General Orders 157 and 158. El

a partnership doing business as El Corre Caminos, admit that they did commit all the violations put forth in the OII. The parties submit for adoption and approval the following stipulated agreement, in the matter of Public Utilities Commission vs. Mark K. Sneed and Jose Luis Ayala-Aroche, doing business as El Corre Caminos.

In order to effectuate the stipulated agreement of the matter before the Commission, El Corre Caminos, and Mr. Mark K. Sneed and Mr. Jose Luis Ayala-Aroche shall not contest the aforementioned allegations. Mr. Sneed and Mr. Ayala-Aroche agree that the California Public Utilities Commission enforcement staff may in any future proceeding whether enforcement or licensing in nature involving either Mr. Sneed or Mr. Ayala-Aroche, may introduce the alleged violations and that the respondents shall not contest those violations.

STIPULATED AGREEMENT

- A. Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership, doing business as El Corre Caminos, admit to the allegations contained in the Order Instituting Investigation. Mr. Sneed and Mr. Ayala-Aroche will not subsequently contest any of these allegations, and these violations may be used in subsequent proceedings dealing with the licensing of Mr. Sneed or Mr. Ayala-Aroche, or any other enforcement proceedings.
- B. The certificate of public convenience and necessity requested by respondent Jose Luis Ayala-Aroche in Application 97-10-069 as amended by Application 98-07-063 will be granted as a one-year temporary operating authority, to expire at the end of its term. Mr. Ayala-Aroche, upon meeting all of the terms and conditions of probation if he desires to continue to operate as a passenger stage corporation, will within 90 days prior to the expiration of the one-year probationary authority, petition the Commission to make the operating authority permanent.
- C. Commission enforcement staff will not oppose the petition by Mr. Ayala-Aroche for a permanent operating authority if he complies with and carries out all the terms and conditions of this settlement agreement.
- D. Commission enforcement staff may, at any time during the one-year probation term, present evidence to the Commission of violations of a

CORRECTION !!

*THE PREVIOUS DOCUMENT(S) MAY HAVE
BEEN FILMED INCORRECTLY*

RESHOOT FOLLOWS

ATTACHMENT A

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Jose Luis Ayala-Aroche dba El Corre Caminos to acquire and Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba El Corre Caminos to transfer a certificate of public convenience and necessity to operate as a passenger stage corporation and certain other assets.

A.97-10-069

Order Instituting Investigation into the operations of Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba El Corre Caminos.

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A.98-07-063

STIPULATED AGREEMENT

This Stipulated Agreement is entered into by and between the Carriers Branch of the Rail Safety and Carriers Division of the Public Utilities Commission, and Mark K. Sneed and Jose Luis Ayala-Aroche, dba El Corre Caminos. The effective date of this agreement shall be the date of its approval and adoption by the California Public Utilities Commission.

The Commission regulates Passenger Stage Corporation and Charter-Party Carrier services pursuant to Article XII of the California Constitution, and Public Utilities Code § 1031 et seq. and 5351 et seq. and General Orders 157 and 158. El

Corre Caminos conducts such operations under its passenger stage corporation and charter party operating authorities [PSG 8659].

On July 23, 1998 the Commission issued an Order Instituting Investigation into the operations of Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership doing business as El Corre Caminos. Mr. Sneed and Mr. Ayala-Aroche also filed Application 97-10-069 on October 22, 1997 to transfer their certificate of public convenience and necessity to operate as a passenger stage corporation to Mr. Ayala-Aroche as an individual. Mr. Sneed and Mr. Ayala-Aroche subsequently filed Application 98-07-063 on July 30, 1998 to amend their passenger stage corporation certificate to add and delete certain points and services. The OII sought to determine the following issues:

- a. Whether respondents violated Commission General Order 158-A, Part 1.06, by failing to ensure that all of their drivers possess a valid or proper commercial driver's license, as required by Vehicle Code Sections 12500 and 15250;
- b. Whether respondents violated Commission General Order 158-A, Part 5.02, by failing to ensure that all drivers or subcarriers are enrolled in the DMV Pull Notice Program as required by Vehicle Code Section 1808.1;
- c. Whether respondents violated Sections 1215, 1230, and 1234(3) of Title 13, California Code of Regulations, by allowing its drivers to drive customers in vehicles that were not in safe operating conditions;
- d. Whether respondents violated Commission General Order 158-A, Part 4.01 and Public Utilities Code § 1042, by failing to report to the Commission equipment placed into for-hire service; and
- e. Whether respondents violated Public Utilities Code §§ 702 and 1031 by operating beyond the scope of the authority granted by the Commission.

THE PARTIES TO THIS PROCEEDING now pending before the Public Utilities Commission, desiring to avoid the expense and inconvenience of litigation of the allegations raised in the OII, have agreed to enter into a stipulated agreement, in which the respondents, Mark K. Sneed and Jose Luis Ayala-Aroche,

a partnership doing business as El Corre Caminos, admit that they did commit all the violations put forth in the OII. The parties submit for adoption and approval the following stipulated agreement, in the matter of Public Utilities Commission vs. Mark K. Sneed and Jose Luis Ayala-Aroche, doing business as El Corre Caminos.

In order to effectuate the stipulated agreement of the matter before the Commission, El Corre Caminos, and Mr. Mark K. Sneed and Mr. Jose Luis Ayala-Aroche shall not contest the aforementioned allegations. Mr. Sneed and Mr. Ayala-Aroche agree that the California Public Utilities Commission enforcement staff may in any future proceeding whether enforcement or licensing in nature involving either Mr. Sneed or Mr. Ayala-Aroche, may introduce the alleged violations and that the respondents shall not contest those violations.

STIPULATED AGREEMENT

- A. Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership, doing business as El Corre Caminos, admit to the allegations contained in the Order Instituting Investigation. Mr. Sneed and Mr. Ayala-Aroche will not subsequently contest any of these allegations, and these violations may be used in subsequent proceedings dealing with the licensing of Mr. Sneed or Mr. Ayala-Aroche, or any other enforcement proceedings.
- B. The certificate of public convenience and necessity requested by respondent Jose Luis Ayala-Aroche in Application 97-10-069 as amended by Application 98-07-063 will be granted as a one-year temporary operating authority, to expire at the end of its term. Mr. Ayala-Aroche, upon meeting all of the terms and conditions of probation if he desires to continue to operate as a passenger stage corporation, will within 90 days prior to the expiration of the one-year probationary authority, petition the Commission to make the operating authority permanent.
- C. Commission enforcement staff will not oppose the petition by Mr. Ayala-Aroche for a permanent operating authority if he complies with and carries out all the terms and conditions of this settlement agreement.
- D. Commission enforcement staff may, at any time during the one-year probation term, present evidence to the Commission of violations of a

similar nature to those documented in I.98-07-039. Should staff find and substantiate such additional violations, enforcement staff will seek revocation of Mr. Ayala-Aroche's operating authority.

E. Conditions of Probation:

1. A list of drivers used and/or engaged by Jose Luis Ayala-Aroche, dba El Corre Caminos will be submitted with proof that all the drivers are listed in the California Department of Motor Vehicles Pull Notice Program. This document will be submitted on the form attached and under oath, declaring under penalty of perjury that the information submitted is true and correct. The drivers list document(s) and proof of Pull Notice enrollment will be submitted every three months during the one-year probation term, to the Supervisor of Enforcement Section, Carriers Branch, Rail Safety and Carriers Division, 505 Van Ness Ave., 2nd Floor, San Francisco, CA 94102, beginning on the ninetieth (90th) day after the effective date of the Commission's decision granting the one-year probationary authority to Mr. Ayala-Aroche.
2. A list of all equipment operated by Jose Luis Ayala-Aroche, dba El Corre Caminos in its intrastate for-hire operation will be submitted under oath on the form attached, declaring under penalty of perjury that the listed equipment identifies all the equipment operated by El Corre Caminos in its intrastate for-hire operation, and that El Corre Caminos has informed its liability insurance carrier of all equipment used in its for-hire operation under its liability policy. The list of equipment will be submitted every three months during the one-year probation term, to the Supervisor of Enforcement Section, Carriers Branch, Rail Safety and Carriers Division, 505 Van Ness Ave., 2nd Floor, San Francisco, CA 94102, beginning on the ninetieth (90th) day after the effective date of the Commission's decision granting the one-year probationary authority to Mr. Ayala-Aroche. (Note this list is required as a condition of the one-year probation term *in addition* to any other report of equipment required by statute or Commission regulation.)
3. El Corre Caminos will produce the following records every three months during the one-year probationary term on the ninetieth (90th) day after the effective date of the Commission's decision granting the one-year probationary authority to Mr. Ayala-Aroche. El Corre Caminos will make the documents described below available to Commission enforcement staff at the offices

of El Corre Caminos: driver equipment inspection reports, all records showing transportation conducted, inclusive of trip sheets, passenger manifests, timesheets or cards, payroll records, daily reports, accounts payable and receivable, income statements and general ledger.

4. El Corre Caminos will identify all of the person(s) whom El Corre Caminos employs, engages, or contracts with to conduct its driver safety, training and education, driver drug testing, driver's license verification, and equipment safety inspection and maintenance. This information will be provided at the time respondents enter into this agreement, and will be provided to Commission enforcement staff within ten (10) days after any change in the person(s) identified as responsible for the functions described above.
- F. Respondents will be assessed a fine of twenty thousand dollars (\$20,000.00), with ten thousand dollars (\$10,000.00) held in forbearance during the term of the one-year probation. The fine will be paid in twelve monthly installments; eleven payments of eight hundred and thirty-three dollars (\$833.00) and one payment of ten thousand and eight hundred and thirty seven dollars (\$10,837.00). Each installment payment is due on the first of each month. The final payment will be reduced to eight hundred and thirty-seven dollars (\$837.00) if the respondents meet all the terms and conditions of this settlement agreement. The respondents must petition the Commission within ninety (90) days before the expiration of El Corre Caminos' one-year probationary operating authority to be excused from the ten thousand dollars (\$10,000) held in forbearance. The Commission enforcement staff will determine whether the respondents have met all the terms and conditions of this settlement agreement. If staff has determined that the terms of the settlement agreement have been met staff will join in the respondents petition to excuse the ten thousand dollars (\$10,000.00) held in forbearance during the one-year probation term. The respondents are jointly and severally liable for payment of the fine. Failure to make any payments within fifteen (15) days after the due date will result in the total fine amount of \$20,000.00 becoming due and payable.

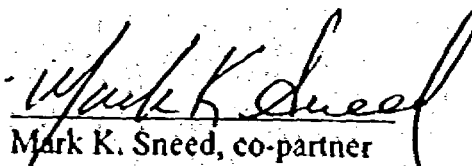
G. The respondents shall obey all California State Laws and orders of this Commission.

H. The parties agree to waive the 30 day public review and comment period required under §311(g)(1) of the Public Utilities Code.

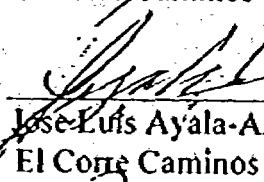
The parties agree jointly by executing and submitting this Stipulated Agreement that it shall be binding on all successors-in-interest and assigns when approved by the Commission. The parties respectfully request that the Commission adopt findings and conclusions consistent with the Stipulated Agreement.

In the witness whereof, the parties hereto have executed this Stipulated Agreement on the date set forth opposite their respective signatures.


Dated: January 09, 1999 By:


Mark K. Sneed, co-partner
El Corre Caminos

By:


Jose Luis Ayala-Aroche, co-partner
El Corre Caminos

Dated: January 13, 1999 By:


Paul W. Wuerstle, Principal
Carriers Branch
Rail Safety and Carriers Division

REPORT OF EQUIPMENT OPERATED BY EL CORRE CAMINOS DURING
PREVIOUS THREE (3) MONTH PERIOD
(_____ THROUGH _____)

THE FOLLOWING IS A LIST OF ALL THE EQUIPMENT OPERATED BY JOSE LUIS AYALA-AROCHE, DBA EL CORRE CAMINOS (TCP/PSC) DURING THE PERIOD DATING FROM THROUGH :

[illegible]

(USE COPY OF THIS FORM IF ADDITIONAL SPACE IS REQUIRED.)

I, _____, DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE VEHICLES LISTED ABOVE ARE ALL VEHICLES OPERATED BY EL CORRE CAMINOS IN CALIFORNIA INTRASTATE FOR-HIRE OPERATIONS DURING THE PERIOD DATING FROM _____ THROUGH _____, AND THAT EL CORRE CAMINOS' LIABILITY INSURANCE CARRIER HAS BEEN INFORMED OF ALL EQUIPMENT SO USED.

EXECUTED ON _____ AT _____,
CALIFORNIA.

SIGNATURE OF PERSON PREPARING THIS DOCUMENT:

JAN. 09 1999.

INFORMATION REQUESTED ON PAGE 5

PERSONS NAMES AND DUTIES:

DRIVER SAFETY, TRAINING, AND EDUCATION.....WILLIAM AYALA.

DRIVER DRUG TESTING.....LILIANA AYALA.

PERFORM BY.....ADTS(ALCOHOL
AND DRUG TESTING SERVICES.
5865 LaBath Av. Ste. 7
Rohnert Park, CA. 94928

CUSTOMER RELATIONS AND RECORDS OF ADTS.....JULIEN. (800)4575508

LICENSE VERIFICATION.....THELMA AYALA AND
SILVIA A. SNEED

EQUIPMENT INSPECTION AND MAINTENANCE.....THELMA AYALA AND
SILVIA A. SNEED

PERFORM AT ONOPRE'S AUTOMOTIVE REPAIR,.....ONOPRE (909)6852767
8995 MISSION BLVD.
GLEN AVON, CA. 92509

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document entitled **MOTION TO ADOPT STIPULATED AGREEMENT OF THE RAIL SAFETY AND CARRIERS DIVISION** upon all known parties of record by mailing, by first-class mail, a copy thereof properly addressed to each party.

Dated at San Francisco, California, this 26th day of January, 1999.

/s/ BERLINA GEE

Berlina Gee