

ORIGINAL

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations and practices of Ronald Lee Koenig doing business as San Francisco Charterhouse, and San Francisco Charterhouse, a California corporation, doing business as Charterhouse.

JAN 9 1990

SAN FRANCISCO OFFICE
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ORDER INSTITUTING INVESTIGATION

Ronald Lee Koenig, an individual doing business as San Francisco Charterhouse, hereafter referred to as Respondent Koenig, has authority to transport passengers over the public highways of this State for compensation, having been issued a certificate of public convenience and necessity to operate as a charter-party carrier of passengers (TCP 5622-B). Respondent Koenig's address is 2030 Third Street (P.O. Box 77332), San Francisco, CA 94107.

San Francisco Charterhouse, a California corporation doing business as Charterhouse, hereafter referred to as Respondent Charterhouse, has filed an informal application with the Commission's Transportation Division to transfer the charter-party certificate held by Respondent Koenig to itself. The application shows Ronald L. Koenig as Vice President and holding 500 shares of stock. The application, received November 3, 1989 and assigned file number TCP 6111-B, was signed for Respondent Charterhouse by Ronald L. Koenig. Respondent Charterhouse's address is 1420 Fourth Street (P.O. Box 78100), San Francisco, CA 94107.

On November 13, 1989 the California Highway Patrol (CHP) recommended to the Transportation Division that the charter-party certificate held by Respondent Koenig under TCP 5622-B be suspended pursuant to Section 5378(a)(7) of the Public Utilities (PU) Code. The CHP, citing Section 5378(a)(7), advised that Respondent Koenig had continually violated

provisions of the Vehicle Code, thereby jeopardizing the safety of passengers and the motoring public. The CHP further recommended that the application of Respondent Charterhouse be denied because the applicant has common ownership with and seeks to operate the same equipment as Respondent Koenig. The Vehicle Code violations referred to by the CHP occurred on State Route 1 in Marin County and involved vehicles being driven to the left of the double yellow lines. By a November 30, 1989 letter to the Transportation Division, counsel for the Respondents advised that operations on State Route 1 have been voluntarily suspended ". . . until this PUC matter is resolved."

The Transportation Division staff has received information which indicates that Respondent Charterhouse may have commenced operations as a charter-party carrier of passengers without holding a certificate from the Commission authorizing such operations.

The Transportation Division recommends that a formal investigation be instituted to determine, among other things, whether the charter-party carrier certificate of Respondent Koenig should be suspended pursuant to the recommendation of the CHP.

For expediency, the application for authority by Respondent Charterhouse should be considered in this investigatory proceeding. Respondent Charterhouse is, however, placed on notice that notwithstanding the consolidation of these issues, as an applicant for Commission operating authority it has the burden of establishing that it possesses reasonable fitness and financial responsibility to operate as a charter-party carrier of passengers.

Good cause appearing,

IT IS ORDERED that an investigation on the Commission's own motion is hereby instituted into the operations and practices of Respondent Koenig and Respondent Charterhouse for the purpose of determining:

1. Whether Respondent Koenig and/or Respondent Charterhouse have operated in willful disregard of public safety by repeatedly violating the Vehicle Code.

2. Whether Respondent Charterhouse has conducted operations as a charter-party carrier without holding a certificate from the Commission in violation of P.U. Code Section 5371.

3. Whether Respondent Charterhouse possesses reasonable fitness and financial responsibility to initiate and conduct operations as a charter-party carrier of passengers, and will faithfully comply with rules and regulations adopted by the Commission, pursuant to the requirements of PU Code Sections 5374 and 5375.

4. Whether in the event a charter-party carrier certificate is issued to Respondent Charterhouse, the Commission should attach to the certificate special terms or conditions which may be required in the public interest.

5. Whether the charter-party carrier certificate of Respondent Koenig should be canceled, revoked, or suspended pursuant to Section 5378(a) of the PU Code, or whether in the alternative a fine should be imposed pursuant to Section 5378(b) of the PU Code.

6. Whether a fine should be imposed upon Respondent Charterhouse pursuant to Section 5413.5 of the PU Code.

7. Whether Respondents Koenig and Charterhouse should be ordered to cease and desist from any unlawful operations or practices.

8. Whether any other orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction.

The scope of this investigation includes, but it not limited to:

(A) passenger transportation services performed by Respondent Koenig and/or Respondent Charterhouse over State Route 1 in Marin County from August 1988 to the present, including

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those services which resulted in the issuance of the following citations by the CHP (for operations on State Route 1):

<u>Citation No.</u>	<u>Date</u>	<u>Driver</u>
MK 07952	5-14-89	Stringer
MR 96970	7-01-89	Inez
NC 00652	9-06-89	Ali
NC 00667	9-13-89	Silveria
MK 10502	9-15-89	Murphy
NK 11252	10-03-89	Inez
NK 10666	10-12-89	Carter
MW 45315	10-17-89	Mathaux
NB 98199	10-17-89	Daniels
NK 10782	11-06-89	Ticzon

(B) passenger transportation services performed in vehicles subject to a "Bus Lease" entered into on April 26, 1989 between Ronald L. Koenig (Lessor) and San Francisco Charterhouse (Lessee).

This matter will be set for hearing before the Commission at a time and place to be noticed later, at which time all interested parties may appear and be heard.

The Executive Director is directed to cause a certified copy of this order to be personally served upon Respondents Koenig and Charterhouse.

This order is effective today.

Dated JAN 9 1990 at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Stanley W. Hulett,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

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Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director
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