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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 Mario C. Araiza,)
an individual, doing business as)
Araiza Express,)
Respondent.)

F I L E D
PUBLIC UTILITIES COMMISSION
APRIL 10, 1996
SAN FRANCISCO OFFICE
I.96-04-022

ORIGINAL

ORDER INSTITUTING INVESTIGATION

INTRODUCTION

The California Public Utilities Commission (Commission), pursuant to the California Constitution, Article XII and Division 2, Sections 3501 et seq., regulates the operations and practices of highway carriers within California. The statutes and regulations require these carriers, among other things, to maintain adequate proof of public liability and workers' compensation insurance on file with the Commission, and specifically prohibit carriers from operating without first complying with the accident liability protection requirements of P.U. Code Section 3631.

Mario C. Araiza, doing business as Araiza Express (T-169,108), whose mailing address is 5476 Eastwood Avenue, Alta Loma, California 91701, operates over the public highways of this state pursuant to a highway contract carrier permit issued October 25, 1990.

The Safety and Enforcement Division staff (staff) advises us that it initiated an investigation into the business practices of Mario C. Araiza, doing business as Araiza Express on October 2, 1995. The staff has obtained evidence that Mr. Araiza operated continuously as a for-hire carrier during the period in

which his operating authority was suspended by the Commission, and subsequently revoked, for failure to maintain evidence of liability insurance on file with the Commission. The staff has also obtained evidence that Mr. Araiza performed these operations without having in effect the public liability insurance required by PU Code Section 3631 and Commission General Order 100-M. The results of that investigation summarized below, lead us to institute this investigation.

THE INVESTIGATION

Operating During Suspension

Under Section 3775 of the Public Utilities Code it is unlawful for a highway permit carrier to conduct operations after the cancellation of a permit or during the period of its suspension. The Safety and Enforcement Division's investigation disclosed that Respondent continued to conduct his for-hire operation throughout the three month period in which his permit was in suspension for failure to maintain evidence of liability insurance on file with the Commission. The staff's investigation further shows that the Respondent continued his for-hire operation after the Commission revoked his operating authority for lack of insurance.

Failure To Comply With Liability Insurance Requirements

Public Utilities Code Section 3555 makes it unlawful for any highway carrier to operate without the accident liability protection required by PU Code Section 3631 and General Order 100-M. The Safety and Enforcement Division's investigation shows that Respondent performed transportation operations during a period in which he failed to fully comply with the accident liability protection required by PU Code Section 3631 and General Order 100-M.

DISCUSSION

We are concerned with the seriousness of the violations alleged by the staff. Our focus on regulation of highway carriers of property for the purpose of ensuring safe, adequately insured operation on California's highways requires us to investigate the alleged violations and impose sanctions sufficient to secure compliance from carriers.

ORDER

IT IS ORDERED that an investigation on the Commission's own motion is instituted into the operations and practices of the respondent, Mario C. Araiza, doing business as Araiza Express for the purpose of determining:

1. Whether Respondent violated Public Utilities Code Sections 3571 and 3775 by conducting operations as a highway carrier during a period of suspension and/or revocation;
2. Whether Respondent violated Public Utilities Code Sections 3555, 3632, 3634 and General Order 100-M by failing to fully comply with the public liability and property damage requirements of the Commission;
3. Whether Respondent's operating authority should be suspended, cancelled or revoked, or in the alternative, a fine not exceeding twenty thousand dollars (\$20,000) should be imposed for each offense pursuant to Public Utilities Code Sections 3774 and 3805;
4. Whether Respondent should be ordered to cease and desist from any unlawful operations and practices;
5. Whether any other orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction.

The Safety and Enforcement Division staff, if it elects to do so, may present additional evidence at any hearing beyond that described in this order, either through testimony or documentation. The staff's prepared testimony supporting its allegations shall be served as soon as practicable (ideally before a prehearing conference), on the Respondent, Mario C. Araiza.

A public hearing in this matter shall be held before an Administrative Law Judge of the Commission at a time, date and place to be determined, 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 Respondent, Mario C. Araiza, doing business as Araiza Express, whose place of business is 5476 Eastwood Avenue, Alta Loma, California 91701. If personal service cannot be made on Respondent, despite diligent efforts, then service may be made by mailing a copy by certified mail to the Respondent at his last address of record with the Commission.

This order is effective today.

Dated April 10, 1996, at Sacramento, California.

DANIEL WM. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners