

Resolution No. PE-2320
Transportation Division
PR 86.083
June 25, 1986

R E S O L U T I O N

RESOLUTION ESTABLISHING A MORATORIUM ON ISSUING AUTHORITY TO CHARTER-PARTY CARRIERS OF PASSENGERS AND SCHEDULING A WORKSHOP ON SAFETY AND FITNESS ISSUES AFFECTING ALL CHARTER-PARTY AND PASSENGER STAGE CARRIERS SUBJECT TO THE JURISDICTION OF THE COMMISSION.

The use of the public highways for the transportation of passengers for compensation is a business affected with a public interest. It is the purpose of the Commission's regulation of for-hire passenger carriers to secure adequate and dependable transportation at reasonable rates by such carriers.

For the past decade, the Commission has relied more heavily on the market place to provide adequate and dependable service at reasonable rates by allowing greater ease of entry into the passenger carrier field. Under this policy, the number of passenger carriers has increased from about 400 in 1975 to over 2800 in 1986. While this has provided a greater spectrum of competitively priced services to the public, it has strained the oversight capabilities of the Commission and other agencies more directly charged with safety-related responsibilities.

The Commission does not have jurisdiction over all of the major factors that are crucial to ensuring the safe operation of passenger buses. When a carrier fails to meet its standards, the CHP has the responsibility to make recommendations to this Commission to suspend, revoke or not renew a carrier's authority. The Department of Motor Vehicles (DMV) has authority to test and license the drivers and to suspend and revoke their driving privilege for traffic safety law violations. Thus, a comprehensive program undertaken by the CPUC to regulate the safe operation of passenger buses can only be done in concert with these other state agencies and local law enforcement authorities.

Under these circumstances, given the public's heightened awareness of safety issues, we conclude that it would be highly desirable to make a prompt and thorough review of the process by which carriers obtain, hold and renew passenger authority.

IT IS ORDERED that

1. A moratorium is declared during which no action will be taken to approve any application received after June 25, 1986, for new charter-party (charter) permits and certificates. This moratorium applies to all applications for new or additional authority and for transfers of existing authority under the Passenger Charter-party Carriers Act, Public Utilities Code Sections 5351 et seq.

The moratorium shall remain in effect until October 1, 1986, and may be extended by subsequent action of the Commission. Exceptions to this moratorium may be granted by the Commission in an emergency situation, such as a vital public need that cannot be met by existing carriers.

2. The Commission staff is directed to prepare and present to the Commission by September 30, 1986, a proposed program to improve the safety and fitness of all passenger carriers regulated by this Commission, both charter and passenger stage carriers. The staff is further directed to hold one or more workshops commencing in mid-July 1986, to which representatives from the California Highway Patrol (CHP), the Department of Motor Vehicles (DMV), the affected carriers, and other interested persons will be invited to express their views on the appropriate measures to be adopted by this Commission.

The purpose of the workshop(s) is to determine the desirability of mandating additional safety and fitness requirements for charter and/or passenger stage carriers. The first issue to be addressed in the workshop(s) is the safety of operations. The Commission may take action on safety issues before addressing financial responsibility issues.

In preparing its proposed program and the agenda for the workshop(s), the staff is specifically directed to consider at least the following:

A. Whether to impose additional requirements on carriers of periodic (e.g. quarterly) vehicle safety inspections of each vehicle owned and operated by the carriers either by their own mechanics or independent mechanics, with records of the inspection to be kept and made available to the CHP during its safety inspections.

B. Whether to require carriers to conduct periodic (e.g. twice a year) checks of their drivers' records with the DMV.

C. Whether to issue stickers to carriers for each and every vehicle operated which would be updated at regular intervals and which would show the carrier's PUC number and the date the vehicle was last inspected.

D. How information can be more efficiently exchanged among the Commission, CHP and DMV regarding vehicle safety and drivers' records.

E. Whether new financial requirements, such as bonding or minimum working capital, should be imposed on applicants for new charter and/or passenger stage authority.

F. Whether new financial requirements should be imposed on existing authorized charter and/or passenger stage carriers.


G. What additional resources are needed by the Commission, CHP, or DMV in order to effectively implement any proposed new procedures.

H. Whether there is a need to seek changes to the Public Utilities Code or other statutes or to amend the Commissions's general orders or rules in order to implement any proposed new procedures or make more effective and understandable the existing procedures.

I. What better methods can be developed to coordinate the activities of state agencies with local law enforcement authorities.

This resolution is effective today.

I certify that this resolution was adopted by the
Public Utilities Commission at its regular meeting
on JUN 25 1986. The following Commissioners
approved it:



Victor Weiss

Executive Director

DONALD VIAL
President

VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners