



ANALYSIS

CALIFORNIA PUBLIC UTILITIES COMMISSION

AB 951 (Lieu) **As Amended April 21, 2009**

SUMMARY

This bill would increase the levels of fines and penalties provided in various sections of the Passenger Charter-Party Carriers' Act.

CPUC POSITION AND SUPPORTING ARGUMENTS

SUPPORT. This bill could improve public safety and consumer protection by increasing the levels of fines and penalties that may be levied by the Commission and the courts against charter-party carriers and others that violate the law.

Among the amendments, it would now require the bill to increase the reinstatement fee from \$250 to \$1,000. Under Public Utilities Section 5378.5, when the Commission's suspends a carrier at the recommendation of the California Highway Patrol (CHP), the carrier may request a reinspection of its terminal and vehicles by submitting a written request to the Commission with a reinstatement fee of \$125. The application filing fee for a new permit is in most cases \$500 (which may be considered too low). Thus, with this new amendment, there is now a fee to reinstate a suspended permit that is twice the amount it costs to file for a new permit. To be consistent with the bill's intent, increasing the fee for a new license from \$500 to \$1000 should be considered. Or alternatively, lowering the reinstatement fee to \$500.

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- This bill was introduced in response to a serious bus accident in which 10 passengers (including the bus company owner who was riding as a passenger) were killed. Investigation by the CHP disclosed that the driver did not hold the proper driver's license to operate a bus. The company held an active charter-party carrier certificate from the Commission at the time of the accident. The vehicle involved, however, was not listed on the carrier's equipment statement on file with the Commission (in violation of General Order 157-D).
- The Public Utilities Code provides for administrative, civil, and criminal penalties for those who violate provisions of the Passenger Charter-Party Carriers' Act or Commission regulations. The Commission is empowered to levy fines against unlicensed carriers, and as an alternative to suspension or revocation of a permit or certificate, against licensed carriers. The Commission may also seek penalties through civil court action, or refer matters to local prosecutors for criminal action.

- Some fines and penalties prescribed in the various sections of the Passenger Charter-Party Carriers' Act have not been increased in 20-25 years. The current fine limits are listed in Attachment A (see below). Increasing the levels of fines and penalties that may be imposed on violators will have a positive impact on public safety.

PROGRAM BACKGROUND:

- Charter-party carriers furnish limousines-for-hire or passenger charter transportation service in motor vehicles. Charter-party carriers do not include vehicles on a set schedule or between fixed termini, taxi cabs, car rentals, or a city bus. Further, charter-party carriers typically provide different sized vehicles to take a scheduled group of people to another location and/or back. The group would usually reserve the vehicle as a group, and would not reserve a "seat" individually.
- Most Commission-imposed fines are levied by the staff through the informal citation procedure. The current fine limits (whether administrative, civil, or criminal) have not been a particular impediment to enforcement. Nonetheless, the ability to impose higher fines in the most egregious cases has merit.

LEGISLATIVE STAFF CONTACT

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Attachment A

Section	Description	Current (\$)	Year of Current	Proposed (\$)
5378(b)	Commission-imposed fine as an alternative to suspension or revocation of operating authority	5,000	1984	7,500
5378.5(b)	Fee to reinstate authority suspended at the recommendation of the CHP	125	1988	1,000
5378.5(e)(2)	Commission-imposed fine for operating during CHP suspension	Min1,000 / Max 5,000	1991	Min1,500 / Max 7,500
5411	Criminal penalty for any violation by a carrier and every officer, director, agent or employee of a carrier	1,000	1983	Min 1,000 / Max 5,000
5411.3	Criminal penalty for vehicle identification violations	1,000	1983	2,500
5412	Criminal penalty for violations by a corporation or person other than a carrier	1,000	1983	2,000
5412.2	Additional criminal penalty for operating as a charter-party carrier or taxicab without a permit	2,500 for 1 st / 5,000 for subsequent	2004	10,000 for 1 st / Max 25,000 for subsequent
5413	Civil penalty for any violation by a carrier and every officer, director, agent or employee of a carrier	1,000	1984	2,000
5413.5(a)	Commission-imposed fine for operating or advertising as a charter-party carrier without authority	5,000	1986	7,500
5413.5(b)	Commission-imposed fine for a charter-party carrier operating as a taxicab	5,000	2004	5,000
5414	Civil penalty for violations by a corporation or person other than a carrier	1,000	1984	2,000