

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



January 26, 2009

TO: ALL PASSENGER CARRIERS

FROM: CPUC LICENSE SECTION

The Commission recently issued resolution TL-19095, which affects some passenger carriers in significant ways.

(1) A higher PUCTRA fee has been established effective January 1, 2009, for revenue derived from transportation provided in vehicles that seat up to 15 passengers (including the driver). The fee for "small vehicles" operated by charter-party carriers and passenger stage corporations has been set at  $\frac{1}{3}$  of 1% of gross revenue. The fee for other vehicles remains at  $\frac{1}{4}$  of 1%. A carrier that operates both small vehicles and vehicles that seat more than 15 will need to keep track of revenue by size of vehicle used in order to properly complete its PUCTRA report.

(NOTE: If you do not operate any vehicle seating 32 or more passengers, not including the driver, then Item 2, below, will not apply to you. You may skip to the section, "ADDITIONAL INFORMATION" on the reverse side.)

(2) The Commission adopted a definition of "charter bus" for purposes of a federal preemption that applies to charter bus transportation when the carrier holds federal operating authority from the Motor Carrier Safety Administration. The definition adopted by the Commission is "a vehicle with a minimum seating capacity of 32 passengers." This may affect you in two ways:

- Revenue derived from charter bus transportation is not subject to PUCTRA fees.
- A carrier that conducts only charter bus transportation does not have to pay an application fee to renew its charter-party permit or certificate.

Note that some kinds of transportation services require charter-party carrier authority under California law, but are not federally preempted because they do not fall within the following federal definition of "charter transportation":

"[T]ransportation, using a bus, of a group of persons who pursuant to a common purpose, under a single contract, at a fixed charge for the motor vehicle, have acquired the exclusive use of the motor vehicle to travel together under an itinerary either specified in advance or modified after having left the place of origin."

Examples of charter-party services that do not meet the federal definition of charter transportation are:

- Round-trip sightseeing services for which passengers pay individual fares.
- Transportation services conducted incidental to another business.
- Operations as a sub-carrier for a passenger stage corporation.
- Transportation of pupils to and from a private school.

Because these services are not federally preempted, they are subject to payment of PUCTRA fees and charter-party authority application renewal fees. Remember, the federal preemption may be an issue for you only if you are operating a bus that seats a minimum of 32 passengers and you hold operating authority from the federal Motor Carrier Safety Administration. Also, it does not affect passenger stage corporations.

### **ADDITIONAL INFORMATION**

Additional information will be provided with quarterly and annual PUCTRA reports and charter-party renewal applications. You may wish to review Resolution TL-19095 on the Internet at:

[http://docs.cpuc.ca.gov/PUBLISHED/FINAL\\_RESOLUTION/95510.htm](http://docs.cpuc.ca.gov/PUBLISHED/FINAL_RESOLUTION/95510.htm)