

Decision No. 44685

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
FRANK J. BARKO, dba FONTANA BUS LINES, )  
for authority to increase passenger )  
fares between certain points in San )  
Bernardino and Riverside Counties, and )  
for consolidation of operative rights. )

Application No. 31402

Appearances

James J. Broz, for applicant.

Richard J. Glasscock, for San Bernardino Valley Transit  
Company, interested party.

J. F. Giroux, for Kaiser Steel Corporation, interested  
party.

Elizabeth Hensley, for Lee's Auto Stage Line,  
interested party.

T. F. Schaffer, for Fontana Chamber of Commerce,  
interested party.

Glenn E. Newton, for Engineering Division, Transportation  
Department, Public Utilities Commission of the  
State of California.

O P I N I O N

Frank J. Barko, doing business as Fontana Bus Lines,  
conducts operations as a passenger stage corporation between certain  
points in San Bernardino and Riverside Counties. By this application  
he seeks authority to increase fares and to consolidate operative  
rights.

Public hearing was had before Examiner Bryant at Fontana on  
August 3, 1950. The matter is ready for decision.

Barko's operations are conducted generally between Fontana,  
South Fontana, Kaiser Plant, Ontario, Colton, Bloomington, Riverside,  
and intermediate points. The operations are designed to meet

transportation requirements of the communities in the general area, including particularly the movement of employees from and to the Kaiser steel plant near Fontana and the plant of California Portland Cement Company near Colton. Applicant alleges that he has rendered regular and continuous service for more than four and one-half years; that despite substantial increases in the direct costs of operations, he has not heretofore sought any increase in fares; that the services have been conducted at a net loss each and every year; and that he will be unable to continue his operations under the present basis of fares.

Applicant's fare structure is based upon a number of zones, the fares ranging from 6 cents to 50 cents. He desires to increase the single-zone fare to 10 cents, and to increase each interzone fare by 2 cents. Commutation ride books, not now available, would be offered in the higher zone fares. The over-all adjustment would result in both advances and reductions, but on the whole would increase the operating revenues by an estimated 6 to 7 percent.<sup>1</sup>

Barko testified that he has experienced substantial increases in operating expenses since the present fares were established, including the wages of drivers and mechanics and the cost of gasoline, tires, licenses and insurance. He stated that he had actually suffered a net operating loss of \$1,029 for the year 1949, and of \$331 for the first quarter of 1950. In the past, he said, his operations had been sustained largely by revenues received from Kaiser Steel Corporation for the contract service of transporting employees between the plant and various points beyond the scope of the certificated routes. The contract service started in November, 1944, and was terminated by Kaiser in September, 1949.

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<sup>1</sup>The present and proposed fares are set forth in detail in Appendix "A" hereof.

Applicant said that the revenue to be anticipated from the proposed fare adjustment would be insufficient to make his operations compensatory. He considered, however, that still higher fares would not produce greater revenues. It is his plan, he said, to operate for a period of time under the fares herein sought; and thereafter, if the losses continue, to seek authority to suspend operations over the routes responsible for the greatest losses. Beyond that, he stated, it might be necessary eventually to discontinue operations entirely, unless revenues were forthcoming from some other source, such as might result from renewal of the Kaiser contract.

An associate transportation engineer of the Commission's staff introduced in evidence a study he had made of the estimated results of operation under present and proposed fares for the year ending August 31, 1951. His figures, as set forth in detail in the exhibit, are summarized in the following table:

Estimated Results of Operation  
for Year Ending August 31, 1951

	<u>Under Present Fares</u>	<u>Under Proposed Fares</u>
<u>Revenues</u>		
Local passenger revenue.....	\$ 24,000	\$ 25,860
Transfer revenue.....	2,870	2,870
Other revenue.....	<u>540</u>	<u>540</u>
Total Revenues.....	\$ 27,410	\$ 29,270
<u>Expenses</u>		
Maintenance.....	\$ 6,620	
Transportation.....	19,720	
Traffic & Advertising.....	200	
Insurance & Safety.....	3,200	
Administration.....	<u>1,700</u>	
	\$ 31,440	\$ 31,440
Depreciation.....	2,910	2,910
Taxes.....	<u>4,920</u>	<u>4,980</u>
Total Expenses.....	\$ 39,270	\$ 39,330
Net Operating Income.....	\$( <u>11,860</u> )	\$( <u>10,060</u> )

( ) - Indicates Loss

The record shows that the customary notices of the hearing were displayed prominently in applicant's vehicles, and that notices were published locally and were served by mail upon persons and organizations believed to be interested. Participating in the hearing were representatives of the Fontana Chamber of Commerce, of Kaiser Steel Corporation, and of several passenger stage corporations serving the general area. No one opposed the granting of this application. The Kaiser representative affirmatively urged that it be granted.<sup>2</sup>

From the record in this proceeding it is clear that an adjustment in fares is necessary if there is to be hope of sustaining the operations of Frank J. Barko, doing business as Fontana Bus Lines. There is little likelihood, indeed, that the proposed fares will return the costs of performing the service under present circumstances. Clearly, applicant should be authorized to establish the sought fares promptly in order that he may maintain the existing services if possible.

By applicant's request for "consolidation of operating rights" he desires merely that his several certificates, which are set forth separately in a number of different decisions, be restated for convenience in a single "in lieu" decision. The record does not show that the granting of this request would serve any useful purpose at this time.

Upon careful consideration of all of the facts and circumstances of record the Commission is of the opinion and finds that the fare changes sought in this proceeding are justified, and that good cause has been shown for allowing their publication on five days' notice to the Commission and the public. To that extent the application will be granted. In all other respects it will be denied. ✓

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The representative of San Bernardino Valley Transit Company urged that certain joint fares be included in the adjustment. Joint fares, however, are not involved in the present application.

O R D E R

Public hearing having been had in the above-entitled application, full consideration of the matters and things involved having been had, and the Commission being fully advised,

IT IS HEREBY ORDERED that Frank J. Barko, doing business as Fontana Bus Lines, be and he is hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, increased and revised fares as specifically set forth in Appendix "A;" which is attached to and hereby made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire ninety (90) days after the effective date of this order.

IT IS HEREBY FURTHER ORDERED that the application in all other respects be and it is hereby denied.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California; this 22<sup>nd</sup> day of August, 1950.

R. J. [Signature]  
Justus J. Casper  
Robert Powell  
Harold A. Kido  
[Signature]  
Commissioners

APPENDIX "A"

STATEMENT OF PRESENT AND PROPOSED PASSENGER  
FARES OF FONTANA BUS LINES

<u>ITEM</u>	<u>PRESENT</u>	<u>PROPOSED</u>
1. Local zone fare - one-way	\$ .06	\$ .10
7-ride commutation books	None	.50
2. Inter-zone fare - one-way	.10	.12
10-ride commutation books	None	.90
3. Inter-zone fare - one-way	.15	.17
10-ride commutation books	None	1.40
4. Inter-zone fare - one-way	.20	.22
10-ride commutation books	None	1.80
5. Inter-zone fare - one-way	.25	.27
10-ride commutation books	None	2.20
6. Inter-zone fare - one-way	.30	.32
10-ride commutation books	None	2.60

Present 24-ride commutation books will be discontinued, and 10-ride commutation books will be offered in lieu thereof.

Fares in excess of 30 cents, one way, would be increased 2 cents per ride, and 10-ride commutation books (not now available) would be offered, as follows:

<u>F a r e z o n e</u>	<u>Present One-way</u>	<u>Proposed One-way</u>	<u>Proposed 10-rides</u>
35 cents	\$ .35	\$ .37	\$ 3.00
40 cents	.40	.42	3.40
45 cents	.45	.47	3.80
50 cents	.50	.52	4.20