

Decision No. 45524

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Daryl R. Druhe,)
dba Big Basin Bus Lines, to) Application No. 31902
establish increases in fares.)

Appearances

- E. C. Lucas and Harry C. Lucas, Jr.,
for applicant.
- Douglas Brookman, for Pacific Greyhound
Lines, interested party.
- Mrs. B. B. Wilder, for San Lorenzo Valley
Chamber of Commerce and San Lorenzo
Business and Professional Women's
Club, protestants.
- L. W. Blake, for San Lorenzo Valley Property
Owners Assn., protestant.
- T. A. Hopkins, for the Commission's staff.

ORIGINAL

O P I N I O N

Daryl R. Druhe, an individual doing business as Big Basin Bus Lines, operates as a passenger stage corporation between Santa Cruz, Felton, Boulder Creek and Big Basin and intermediate points, and between Felton and Camp Evers and intermediate points. In addition he conducts a taxi service and a garage business at Ben Lomond. By this application, as amended, he seeks authority to establish increased passenger fares on less than statutory notice.¹

Public hearing was had at Santa Cruz on March 9, 1951, before Commissioner Potter and Examiner Lake.

Applicant commenced operations in 1947. At that time service was limited to operations between Boulder Creek and Big Basin. In

¹ The present and proposed fares are set forth in the attached appendices "A" and "B", respectively.

1949 service was established between Boulder Creek and Santa Cruz via State Route No. 9 and between Felton and Santa Cruz via Camp Evers and State Route No. 17.² The 1949 service was established simultaneously with the discontinuance of like service which was being performed by Pacific Greyhound Lines.³

Druhe, his wife and one employee conduct all of the operations. Four round trips between Boulder Creek and Santa Cruz are made daily except on weekends when five round trips are made. Service is commenced as early as 6:50 a.m., and ends as late as 11:22 p.m.⁴ The basic service is scheduled to accommodate the permanent residents of the area and is in effect for approximately nine months of the year. During the balance of the year, the summer months, service is increased in order to take care of the summer tourists and is extended from Boulder Creek to Big Basin. Service is performed with two busses. When it can be anticipated that there will be light traffic on certain of the runs, taxis are used instead of busses to maintain schedules.

Applicant alleges that, despite every effort to reduce operating expenses, service under present fares is being conducted at a loss and that, if operations are to be continued, the present fares must be increased.

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Service between Boulder Creek and Big Basin is performed only for three months during the summer season. Applicant is restricted in his operations over State Route No. 17 between Camp Evers and Santa Cruz.

3

See Decision No. 43035, dated June 21, 1949, in Applications Nos. 30020 and 30021.

4

Prior to March, 1951, six round trips were operated daily. Service was reduced and schedules revised on that date assertedly to reduce operating expenses.

According to a profit and loss statement submitted by the applicant, expenses for the year 1950 exceeded the revenues by \$2,576. In computing the expenses no provision was made for services rendered by applicant in driving, servicing and repairing equipment nor for managing the operations, nor was there any provision made for the service performed by applicant's wife, who, it is said, devotes considerable time to the conduct of the business. In addition, the costs of operating the substitute vehicles in the utility operations were not included in the record of operations for the period shown.

Applicant contended that the sought fares would increase his revenues approximately 32.1 percent and that the net revenues resulting therefrom would approximate \$1,600. This, he alleged, would be sufficient to permit the continuance of operations without the necessity of further curtailing service. In calculating the expenses under the proposed fares, applicant did not make provision for a salary for himself nor for his wife.

A Transportation Engineer of the Commission's staff submitted and explained an exhibit showing, in general, the results of operations for 1950, and estimates of operations for a 12-month period beginning April 1, 1951, under both present and proposed fares. This witness estimated that the existing fares based upon present conditions and anticipated expenses would result, for the period covered by his study, in a loss of \$3,180 and that the proposed fares would result in a loss of \$80. The operating results under present and

proposed fares as developed by the engineer are as follows:

Big Basin Bus Lines
Results of Operations

	Book Record First Ten Months 1950	Esti- mated Year 1950	Estimated 12-Mo Period Beginning April 1, 1951	
			Present Fares	Proposed Fares
Revenues				
Passenger Revenue	\$10,430	\$11,810	\$11,000	\$14,200
Charter Revenue	228	230	200	200
Express Revenue	540	620	600	600
Newspaper Revenue	187	220	200	200
Total Revenues	\$11,385	\$12,880	\$12,000	\$15,200
Operating Expense Includ- ing Depreciation and Operating Taxes	\$14,052	\$17,120	\$15,180	\$15,280
Operating Income	\$(2,667)	\$(4,240)	\$(3,180)	\$ (80)
Operating Ratio	123.43	132.92	126.50	100.53

() - Indicates Loss

According to the witness, records of the carrier were not such, when his investigation was made, as to permit recording the results of actual operation for a 12-month period. He stated that he had estimated the results of operations for the year 1950 by annualizing and normalizing the figures developed for the 10-month period. He stated that in the normalization of the expenses he had made provision for wages for applicant for driving, maintenance and cleaning and for managerial duties and had adjusted certain expenses from a cash to an accrued basis. The amount allowed applicant was \$1 per hour for driving and \$100 per month for the other services. Estimated expenses under present and proposed fares for the period beginning April 1, 1951, were developed in the same manner as those for 1950, adjusted to reflect current costs under present schedules. The witness stated that applicant was conducting a difficult operation and was trying to provide a service consistent with the needs of the community; but, while there was a need for the service,

the patronage was insufficient to permit the operation to be remunerative.

Protestants' position is that while they do not protest the increases in fares "per se" they believe that the proposed fare structure will not provide a living wage for the applicant and that the ultimate result will be higher fares or less service, neither of which the patrons can afford nor endure. Evidence was adduced through cross examination of witnesses and through statements and testimony by protestants. The evidence so developed was to the effect that applicant is conducting operations over routes which he is not authorized to operate and with equipment not registered with the Commission nor marked or otherwise indicated as being a part of the utility operations. Evidence was also introduced showing that applicant does not maintain his scheduled times of arrival and departure, and that frequently the substitute equipment is not sufficient to handle all of the passengers available. It was also shown that applicant does not carry public liability and property damage insurance and that he has neither capital nor assets from which he could pay claims for damages or injuries sustained in his operations.⁵ Evidence was also introduced with respect to other service matters and the need for adequate transportation in the area involved.

The record leaves no question that applicant's present fares are not sufficient to return the cost of his operations. We are convinced that unless applicant is able to develop additional revenues, his ability to continue rendering service

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Counsel for applicant advised the Commission by letter dated March 24, 1951, of which we take official notice, that applicant has obtained insurance, with Lloyds of London, against loss or damage arising from public liability or property damage in the amount or limitation of \$25,000 and \$50,000 for public liability and \$5,000 for property damage.

will be seriously jeopardized if not destroyed. It is clear from the record of evidence submitted that the proposed revenues, if received, will only operate to reduce the estimated losses under the present fares and at best provide applicant with modest wages for the services he renders. As to whether applicant will be able to continue to provide the service necessary to this area remains to be seen. The excess of liabilities over assets places upon applicant a somewhat difficult burden.⁶ His success rests upon his ability to achieve an efficient service and to develop sufficient revenues to return the full cost of operations. To this end, he should adjust his schedules and revise his operations so as to provide an adequate service consistent with the revenues received. In addition, he must have the cooperation and support of the public in the area which he serves.

Upon careful consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds as a fact that the sought fares have been justified. The amended application will be granted. Because of the immediate need for additional revenue, applicant will be authorized to establish the increased fares on not less than five (5) days' notice.

With respect to the operation of substitute vehicles and applicant's failure to mark all vehicles properly, applicant should comply with the provisions of General Order No. 98. He is expected to notify the Commission not later than May 15, 1951, what action has been taken in this matter. Applicant shall also within six months advise the Commission the results of his operations under this order.

⁶ According to an August 31, 1950, balance sheet, the liabilities exceed the assets of the carrier by \$35.58.

O R D E R

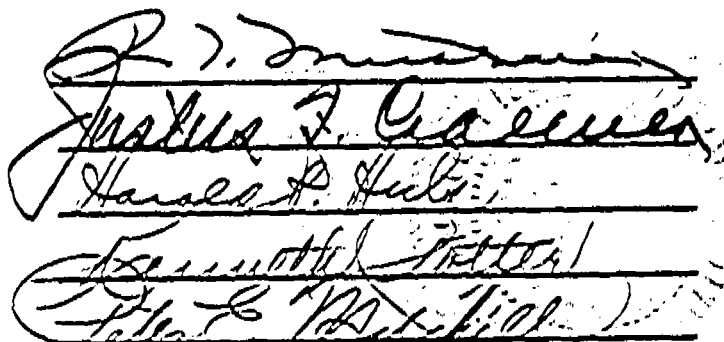
Based on evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Daryl R. Druhe, doing business as Big Basin Bus Lines, be and he is hereby authorized to establish within ninety (90) days after the effective date of this order and on not less than five (5) days' notice to the Commission and to the public increased fares as proposed in the amended application filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that applicant be and he is hereby directed to post and maintain in his vehicles a notice of the fares herein authorized. Such notice shall be made not less than five (5) days prior to the effective date of such fares and shall be maintained for a period of not less than thirty (30) days.

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

Dated at San Francisco, California this 3rd day of April, 1951.


Commissioners

PROPOSED FARES

BETWEEN AND	Kind of Ticket	Santa Cruz	Big Trees	Felton	Mt. Herman	Camp Evers	Brackney	Ben Lomond	Brookdale	Boulder Creek	China Grade
Big Trees	OW	\$ A.25	\$ —	¢	¢	¢	¢	¢	¢	¢	¢
	RT	A.50	—	—	—	—	—	—	—	—	—
Felton	OW	A.30	A.20	—	—	—	—	—	—	—	—
	RT	A.60	A.40	—	—	—	—	—	—	—	—
Mt. Herman	OW	A.25	A.20	A.20	—	—	—	—	—	—	—
	RT	A.50	A.40	A.40	—	—	—	—	—	—	—
Camp Evers	OW	¢	A.20	A.20	A.20	—	—	—	—	—	—
	RT	¢	A.40	A.40	A.40	—	—	—	—	—	—
Brackney	OW	A.30	A.20	A.20	A.20	—	—	—	—	—	—
	RT	A.60	A.40	A.40	A.40	—	—	—	—	—	—
Ben Lomond	OW	A.35	A.20	A.20	A.20	A.25	A.20	—	—	—	—
	RT	A.70	A.40	A.40	A.40	A.50	A.40	—	—	—	—
Brookdale	OW	A.40	A.20	A.20	A.25	A.30	A.20	A.20	—	—	—
	RT	A.80	A.40	A.40	A.50	A.60	A.40	A.40	—	—	—
Boulder Creek	OW	A.45	A.25	A.20	A.25	A.30	A.20	A.20	A.20	—	—
	RT	A.90	A.50	A.40	A.50	A.60	A.40	A.40	A.40	—	—
China Grade	OW	A.55	A.40	A.35	A.40	A.40	A.30	A.30	.25	A.20	—
	RT	A1.10	A.80	A.70	A.80	A.80	A.60	A.60	.50	A.40	—
Big Basin	OW	A.90	A.75	A.70	A.75	A.75	A.70	A.65	.60	A.55	.45
	RT	A1.80	A1.50	A1.40	A1.50	A1.50	A1.40	A1.30	1.20	A1.10	.90

¢ - No passengers will be transported locally between Santa Cruz and Camp Evers on State Route No. 17. OW - One-Way RT - Roundtrip

A - Advance

10-ride family script books will be sold at a 10% reduction on fares of 30¢ or more between designated points. Limited to use within 30 days.