

ORIGINALDecision No. 51225

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Fontana Transit Lines for approval of
 proposed increases in local rates of
 fare and, with concurrence of Lee's
 Auto Stages, for approval of proposed
 increases in joint rates of fare, and
 for in lieu certificate of public
 convenience and necessity clarifying
 operating rights by authorizing only
 presently conducted operations and
 deleting inoperative alternate route
 between downtown Fontana and Kaiser
 Steel Plant.

Application No. 36456

O P I N I O N

By this application, as amended, Charles C. Towle and Melvin H. Bunting, doing business as Fontana Transit Lines, seek authority (1) to abandon a portion of one route which has not been served since prior to their acquisition of the business (Decision No. 49873, dated March 30, 1954), (2) to increase local passenger fares, and (3) with the concurrence of Melvin H. Bunting, doing business as Lee's Auto Stage Line, to increase joint fares.

Applicant Fontana Transit Lines also requests an in lieu certificate for clarification of operating authority.

Fontana Transit Lines operates an intercity passenger bus service between the Cities of Fontana and Colton, connecting with the lines of Melvin H. Bunting, doing business as Lee's Auto Stage Line, at the intermediate point of Bloomington for transfer of passengers who travel to Rialto and San Bernardino. Lee's Auto Stage Line operates between Bloomington, Rialto and San Bernardino.

Applicants' present fare structure is based on a five-zone system. The distance from the Kaiser steel plant at Fontana to Colton is about 12.85 route miles. The single zone adult cash fare is 10 cents, the two-zone ride is 12 cents, with 5-cent increments for each successive zone traveled. Reduced fare commutation ticket books are available. Applicants join with Lee's Auto Stage Line in the issuance of a joint tariff.

It is proposed to increase the adult cash fare from 10 cents to 15 cents and charge 5 cents additional for travel into each successive zone. Reduced fare adult commutation ticket books are to be discontinued. A children's universal cash fare of 10 cents is to be established, good in and between all zones. The school ticket book is to be 10 rides for \$1.00 or 10 cents per ride, which is also to apply in and between all zones. Applicants further propose to combine two short fare zones into a single zone. The resulting fare structure will then be based on a four-zone system with zones more nearly equal in length than at present.

The joint fares with Lee's Auto Stage Line are to be uniformly increased by 5 cents.¹

1

The areas applicable to the joint fare zones, as well as the proposed fares, are shown in the Order which follows this Opinion.

Both the applicants and the Commission's staff made analyses of operating revenues and expenses and summarized the estimated results of operation as follows:

	Applicants' Book Record From 1-28-54 To 10-31-54 Expanded to Yearly Basis	Present Fares		Proposed Fares	
		Applicants ^(a)	P.U.C. Staff ^(b)	Applicants ^(a)	P.U.C. Staff ^(b)
Mileage	75,903	77,181	76,030	77,181	76,030
<u>Revenue</u>					
Passenger	\$ 7,571	\$ 8,440	\$ 7,690	\$13,126	\$10,620
Contract (c)	3,310	3,715	3,310	3,715	3,310
	<u>\$10,881</u>	<u>\$12,155</u>	<u>\$11,000</u>	<u>\$16,841</u>	<u>\$13,930</u>
<u>Expense</u>					
Maintenance	\$ 1,449	\$ 2,140	\$ 2,580	\$ 2,140	\$ 2,580
Transportation	9,793	10,673	9,810	10,673	9,810
Station	120	120	120	120	120
Insurance	1,427	1,285	1,300	1,285	1,300
Administration	105	100	880	100	880
Operating Rent	-	-	300	-	300
Depreciation	1,320	1,317	1,380	1,317	1,380
Operating Taxes	1,429	1,733	1,460	1,822	1,520
	<u>\$15,643</u>	<u>\$17,368</u>	<u>\$17,830</u>	<u>\$17,457</u>	<u>\$17,890</u>
Net before Income Taxes	\$ <u>(4,762)</u>	\$ <u>(5,213)</u>	\$ <u>(6,830)</u>	\$ <u>(616)</u>	\$ <u>(3,960)</u>
Income Taxes	\$ <u>(4,762)</u>	\$ <u>(5,213)</u>	\$ <u>(6,830)</u>	\$ <u>(616)</u>	\$ <u>(3,960)</u>
Operating Ratio %	143.8	142.9*	162.1	103.7*	128.4
Estimated Rate Base	-	\$ 2,706	\$ 2,670	\$ 2,706	\$ 2,670
Rate of Return %	-	-	-	-	-

(a) 12 Months ending September 30, 1955

(b) 12 Months ending December 31, 1955

(c) Contract revenue (From operations on Kaiser Steel Mill property)

* Calculated by P.U.C. Staff

(Red Figure)

The differences in the estimates of applicants and staff are explained as follows:

Applicants acquired Fontana Transit Lines January 28, 1954, and based their passenger revenue estimate on their operating experience from that date to September 30, 1954, expanded to a yearly basis, but in so doing used a factor of 1.67 instead of 1.49 which resulted in approximately 12 per cent overstatement of estimated passenger revenue. Applicants made no provision for any loss in traffic due to the proposed increases in fares. The revenue item identified as "contract" is derived from intraplant operations on the Kaiser Steel Mill property.

The staff analyzed the trend of passenger traffic for the period from January 28, 1954 through October 1954. There were no prior records available from the present owner and the former owner could not be located. The staff based its estimate of passengers under present fares on the volume of traffic handled during the period referred to above. An average loss of traffic due to higher fares of about 9 per cent is estimated under proposed fares.

The expense estimates of applicants and staff vary somewhat among the individual accounts due to different methods of approach, but the over-all amounts reasonably conform. Under the administration account the staff estimate includes a prorata share of an allowance for the owner's salary and other necessary office expenses. The Fontana Transit Lines and the Highland-Patton Bus Line are both operated from the same office and garage in San Bernardino. Applicants used the same expansion factor for certain expense accounts that they used for revenue, which is the reason

the transportation account estimate is higher than the staff estimate. The staff added an estimated amount for operating rents and deducted the weight fee credit from taxes. The differences in expense estimates of applicants and the staff are practically offsetting.

The route segment which applicants seek to abandon has not been served for more than a year, applicants' predecessor having inadvertently failed to obtain authority to discontinue the operation. The present operators were unaware of the illegal discontinuance of service and are not desirous of re-establishing the operation because they are informed that the line was not compensatory. A new certificate of public convenience and necessity restating and clarifying the existing operating authority of Fontana Transit Lines appears justified.

The application is not opposed. Notice of the application was posted in applicants' buses and at terminals and all interested local authorities received a copy of the application.

The Commission having considered the application as amended, is of the opinion and finds that the proposed fare increases are justified and reasonable, and that the proposed partial discontinuance of service along Arrow Boulevard and Cherry Avenue is not adverse to the public interest.

The application will be granted. A public hearing is not necessary.

C R D E R

Application having been made, the Commission being fully advised in the premises and having found that fares as hereinafter set forth are justified and reasonable, and that the proposed partial route abandonment is not adverse to the public interest,

IT IS ORDERED:

(1) That Charles C. Towle and Melvin H. Bunting, doing business as Fontana Transit Lines, be, and they hereby are, authorized to establish on not less than five days' notice to the Commission and to the public the following fares and rates:

<u>Type of Fare</u>	<u>Fare</u>
<u>One Zone</u>	
Adult - Cash	\$.15
Child - "	.10
<u>Two Zone</u>	
Adult - Cash	\$.20
Child - "	.10
<u>Three Zone</u>	
Adult - Cash	\$.25
Child - "	.10
<u>Four Zone</u>	
Adult - Cash	\$.30
Child - "	.10
<u>Entire Line</u>	
School Tkt. 10/\$1.00	\$.10

Zones within and between which the above fares are applicable shall be as follows:

- Zone 1 - Between Colton terminus and Riverside Avenue.
- Zone 2 - Between Riverside Avenue and Alder Avenue.
- Zone 3 - Between Alder Avenue and Citrus Avenue.
- Zone 4 - Between Citrus Avenue and points westerly thereof.

(2) That Charles C. Towle and Melvin H. Bunting, doing business as Fontana Transit Lines, and Melvin H. Bunting, doing business as Lee's Auto Stage Line, be, and they hereby are, authorized, on not

less than five days' notice to the Commission and to the public, to establish and concur in the following joint cash fares:

Points on Lee's Auto Stage Line			
Between	Pts. Bet Slover:	Pts Bet Randall:	Pts. Bet Jct. of:
and	Ave. in Bloom-	Ave. and Jct. :	4th & 5th Sts.:
	ington and	of 4th & 5th	(Foothill Bl.):
Points On	Randall Ave. in:	Sts. (Foothill	and
Fontana Trs. Lines:	Rialto	Bl.) in	S. Bernardino :
		S. Bernardino	Terminus
Pts. Between			
Terminus in			
Colton and	20 cents	25 cents	30 cents
Citrus Ave. in	(Zone A)	(Zone B-2)	(Zone C-2)
Fontana			
Pts. Between			
Citrus Ave. and			
Cherry Ave. in	25 cents	30 cents	35 cents
Fontana	(Zone B-1)	(Zone C-1)	(Zone D)

(3) That in addition to the required filing of tariffs, applicants shall give notice to the public by posting in their buses a clear and suitable statement of the fare changes. The notices shall be posted at least five days prior to the effective date of the fare changes, and shall remain posted for not less than ten days thereafter.

(4) That Charles C. Towle and Melvin H. Bunting, doing business as Fontana Transit Lines; be, and they hereby are, authorized to discontinue passenger stage service along Arrow Boulevard between Nuevo Street and Cherry Avenue, and along Cherry Avenue between Arrow Boulevard and Randall Avenue.

(5) That a certificate of public convenience and necessity is hereby granted to Charles C. Towle and Melvin H. Bunting, copartners, doing business as Fontana Transit Lines, authorizing the establishment and operation of service as a passenger stage corporation, as defined

in Section 226 of the Public Utilities Code, for the transportation of persons between Colton and Fontana, and intermediate points along routes as hereinafter described. The authority herein granted is in lieu of any and all operating rights heretofore granted to them or their predecessors.

(6) That in providing service pursuant to the certificate granted by paragraph (5) of this order there shall be compliance with the following service regulations:

- (a) Within thirty days after the effective date hereof, applicants shall file a written acceptance of the certificate herein granted.
- (b) Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, applicants shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs satisfactory to the Commission.
- (c) Subject to the authority of this Commission to change or modify such at any time, Fontana Transit Lines shall conduct said passenger stage operation over and along the following described routes:

Beginning at the intersection of 8th Street and "I" Street in the City of Colton, thence along "I" Street, Valley Boulevard, through Bloomington, Locust Avenue, San Bernardino Avenue, Sierra Avenue, Valencia Avenue, Nuevo Street, Arrow Boulevard (Arrow Route), Sierra Avenue, Merrill Avenue, Fontana Avenue, Beech Avenue, Valley Boulevard, Cherry Avenue, Randall Avenue, Hemlock Street, Merrill Avenue to its intersection with Sierra Avenue, and reverse of route to point of beginning.

Also beginning at the intersection of San Bernardino Avenue and Alder Avenue, thence along Alder Avenue and Arrow Boulevard to the latter's intersection with Sierra Avenue.

Applicants are authorized to turn their motor vehicles at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, or in accordance with local traffic rules.

(7) That the operating rights created by Decision No. 49612, on Application No. 34900, as amended by Decision No. 49847, and by Decision No. 50277, on Application No. 35447, be, and they hereby are, revoked and annulled.

(8) That the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

The effective date of this order shall be ten days after the date hereof.

Dated at Los Angeles, California, this 21st day of March, 1955.

Carl E. Anderson
President

Justus J. Gammes

Paulo L. Ostermeier

Markus J. Nelson

Commissioners