

ORIGINAL

Decision No. 57559

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of
CHARTER BUS TRANSPORTATION SYSTEM, a
California corporation, for authority
to increase its race track rates under
Decisions numbered 40343, 41231, 43676
and 43775. (1)

Application No. 39704

Peter Johnson and Geo. A. Ruth, for applicant.
James P. Kennedy, for Los Angeles Turf Club,
Inc., interested party.

O P I N I O N

Applicant is now authorized to operate a race track bus service, generally, between the Watts area of Los Angeles and the Santa Anita, Hollywood Park and Los Alamitos race tracks, and between the City of Santa Ana and Hollywood Park, and intermediate points, as more specifically set forth in Decisions Nos. 41231, 43476, 43775, 48560, 51267 and 56217. Applicant also has an extensive charter bus and school bus contract business.

By this application, as amended September 17, 1958, authority is sought to increase its present round-trip fares between the points now served and the Santa Anita and Hollywood Park tracks only. No change is proposed in the Los Alamitos race track fares.

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa.

Present and proposed fares, exclusive of federal transportation tax, are as follows:

(1) The correct decisions numbers are 41231, 43476 and 43775. Decision No. 40343 has heretofore been revoked.

HOLLYWOOD PARK RACE TRACK

<u>Pick-up Points between Santa Ana and Hollywood Park</u>	<u>Present Rate-RT</u>	<u>Proposed New Rate-RT</u>
220 East 3rd Street, Santa Ana	\$ 2.82	\$ 3.60
Chapman & Main, Orange Chapman & Santa Ana Freeway, Orange Center & Los Angeles, Anaheim	2.48	2.86
Manchester & Lincoln, Anaheim Stanton & Lincoln, Anaheim Walker & Lincoln, Cypress	2.00	2.31
Norwalk & Lincoln, L. A. County Woodruff & Carson, Lakewood Bellflower & Carson, Lakewood Lakewood & Carson, Lakewood Lakewood & Candlewood, Lakewood Lakewood & South, Lakewood Lakewood & Artesia, Bellflower Lakewood & Compton, Bellflower	1.48	1.71
Paramount & Compton, Paramount Garfield & Compton, Paramount Atlantic & Compton, L. A. County Long Beach & Compton, Compton Long Beach & Rosecrans, Compton Long Beach & Tweedy, South Gate	1.09	1.54
103rd & Graham, Los Angeles 103rd & Central, Los Angeles	1.00	1.82
<u>Pick-up Points between Whittier and Atlantic Boulevards and Hollywood Park</u>		
Whittier & Atlantic, Los Angeles	1.30	1.82
Slauson & Atlantic, Maywood Gage & Atlantic, Bell Florence & Atlantic, Bell Florence & Long Beach, Huntington Park Long Beach & Santa Ana, South Gate Long Beach & Firestone, South Gate	1.09	1.54

SANTA ANITA RACE TRACK

<u>Pick-up Points between Manchester and Vermont Avenues and Santa Anita</u>	<u>Present Rate-RT</u>	<u>Proposed New Rate-RT</u>
Manchester & Vermont, Los Angeles		
Manchester & Broadway, Los Angeles		
Manchester & Central, Los Angeles		
Firestone & Compton, Los Angeles		
Compton & Florence, Los Angeles	\$ 1.30	\$ 1.82
Florence & Long Beach, Huntington Park		
Florence & State, Huntington Park		
Florence & California, Huntington Park		
Florence & Atlantic, Bell		
Atlantic & Gage, Bell	1.30	1.82
Atlantic & Anaheim-Telegraph, Los Angeles		
Whittier & Atlantic, Los Angeles	1.09	1.54

Applicant alleges that wages and the cost of parts and other materials and supplies have increased to such an extent that present revenue is inadequate for a fair rate of return.

Applicant's last annual financial statement filed with this Commission shows that as of December 31, 1957, applicant's condition was as follows:

Total assets	\$418,247.83
Total liabilities	<u>161,824.76</u>
Net Worth	\$256,423.07
Represented by:	
Capital stock outstanding	\$ 34,000.00
Earned surplus	<u>222,423.07</u>
	\$256,423.07

A net loss of \$14,280.02 was incurred during said year. The total operating revenue for 1957 was \$286,346.98, of which amount only \$11,744.61 was derived from its race track certificated operations.

In the amended application applicant estimated the results of operations for the Santa Anita meeting ending April 10, 1958,

and the Hollywood Park spring and fall meeting of 1957, under present and proposed fares, as follows:

	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 14,359.50	\$ 18,712.34*
Expense		
Maintenance	2,395.50	2,502.67
Transportation	8,536.68	8,874.18
Traffic and Advertising	939.64	1,223.79
Insurance	609.91	625.79
Administration	1,771.26	1,771.26
Depreciation	861.78	861.78
Operating Taxes	1,078.02	1,116.68
Operating Rents	958.50	994.50
Total Expenses	\$ 17,151.29	\$ 17,971.65
Net Operating Revenue	<u>(2,791.79)</u>	740.69
Income Tax	-	429.60
Net Income	-	311.09
Operating Ratio	119.44%	98.34%
Rate Base**	8,677.53	8,677.53
Rate of Return	-	3.59%

Red Figure

- * Four percent estimated traffic loss due to fare increase.
 ** Two 1948 41-passenger A.C.F. Brill buses, purchased September 1, 1957, at cost of \$9,641.70, less depreciation.

It is clearly apparent that applicant is in need of relief in the operation of said services. The operating ratio under the proposed fares is estimated at 98.34 per cent and the rate of return at 3.59 per cent. We find that the proposed increases in fares are justified.

The public and other interested parties were adequately informed of applicant's proposal. No protests were received. The application will be granted.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found that the proposed increases in fares, as hereinabove set forth, are justified and reasonable,

IT IS ORDERED:

(1) That Charter Bus Transportation System, a corporation, be and it hereby is authorized to establish on not less than one day's notice to the Commission and to the public, the increases in the Santa Anita and Hollywood Park race track fares as hereinabove set forth.

(2) That, except as herein authorized, Charter Bus Transportation System shall retain and continue to publish the fares heretofore authorized.

(3) That applicant shall post and maintain in its race track buses, for a period of ten days, a notice of the increased fares herein authorized and shall also publish in local newspapers

notice of said fare increases once during the week before the commencement of the service.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California,
this 3rd day of November, 1958.

E. Lynn Fox
President

John A. ...

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Theodore ...
Commissioners