

ORIGINALDecision No. 61726

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Norman W. Holmes, an individual doing business under the name of MAYFAIR SUBURBAN LINES, for a certificate of Public Convenience and Necessity to operate motor coach transportation over extensions of Applicant's present routes and to abandon certain portions of its existing routes.

Application No. 41359

Investigation into the operations and practices of NORMAN W. HOLMES, doing business as MAYFAIR SUBURBAN LINES.

Case No. 6457

Norman W. Holmes, in propria persona.
Robin D. Faisant, for the City of Los Altos and Town of Los Altos Hills, interested parties.
William Bricca, William Peters and Arthur Winston, for the Commission staff.

O P I N I O N

By Application No. 41359 filed July 30, 1959, Norman W. Holmes, doing business as Mayfair Suburban Lines, requested authority to extend his passenger stage service in the San Jose Area as follows:

1. Extend Route No. 1 into Tropicana Village, a new subdivision.
2. Establish Route No. 3-C an alternate routing of Route No. 3, San Jose to Mountain View, to provide direct service to the Valley Fair Shopping Center.
3. Establish a new Route No. 4 to South San Jose.

By Decision No. 59260, pursuant to a request by applicant dated October 13, 1959, the extension of Route No. 1 was authorized and consideration of Routes Nos. 3-C and 4 was deferred pending further study by applicant.

Following a formal investigation (Case No. 6457) instituted on April 19, 1960, and heard on May 24, 1960, the Commission found

that Holmes deviated from the provisions and requirements of the Commission's General Order No. 98 in that he failed to maintain required Inspection and Equipment Reports and that his equipment on numerous occasions failed to comply with specified safety requirements. By Decision No. 60366 dated July 5, 1960, the Commission issued a cease and desist order and suspended Holmes' operating authority for a period of twenty days, but deferred said suspension pending further order of the Commission.

By his letter dated October 6, 1960, Holmes requested that Application No. 41359 again be considered for the purpose of extending Routes Nos. 3-C and 4.

In order that the Commission might have complete information of the operations herein considered the Commission on December 28, 1960, issued an order reopening Case No. 6457. The matters were consolidated and a public hearing was held before Examiner Thomas E. Daly on February 10, 1961, at San Jose.

During the course of hearing Holmes amended his application by deleting proposed Route No. 3-C.

Proposed Route No. 4 would operate between San Jose and South San Jose providing service to new subdivisions and trailer courts, which are presently without public transportation, except for through Greyhound service along Monterey Road. The proposed route is 14 miles round trip and would be operated on the basis of five round-trip schedules daily except Sundays and holidays. The proposed fares would be 15 cents for adults to Tully Road and 25 cents beyond Tully Road with fares of 10 cents and 15 cents for children between the ages of 5 and 12 years. Also proposed are 30-ride school tickets at \$3.00 to Tully Road and \$4.00 beyond.

Many public witnesses appeared in support of the proposed extension. In brief they stated that they were presently without

means of public transportation and that they or members of their families would use the proposed service if authorized.

Based upon an estimate of 2500 houses, 7500 population and 1 percent usage Holmes anticipates that Route No. 4 would initially result in a gross revenue of \$18.75 daily. With expected out-of-pocket costs in the amount of \$16.40 he anticipates a daily net revenue of \$2.35. He also anticipates a monthly subsidy for 3 months amounting to \$120 from 12 trailer courts located in the proposed extended area. However, these are not definite commitments.

According to a study prepared by the staff Route No. 4 would initially result in daily gross revenue of \$13.60 with out-of-pocket costs estimated at \$18.20 a day resulting in loss of \$4.40 per day. Expanded this would result in an annual loss of \$1,350. The staff was of the opinion, however, that when the developments reached their planned capacity it is expected that this loss would be offset by increased revenues to the point where out-of-pocket expenses would be met.

The staff further prepared and introduced an exhibit reflecting the financial condition of applicant and respondent herein for the year 1960. The exhibit indicates that the net book value of the operating equipment as of December 31, 1960, was \$2,992.93. Of this amount \$1,526.93 is indicated as the salvage value. Also, as of the same date, the proprietary capital account indicated a deficit in the amount of \$23,990.36. For the years 1958, 1959 and 1960 the operation suffered net operating losses amounting to \$23,407.66, \$1,916.96 and \$8,159.81, respectively.

The staff also prepared and introduced a report of deviations from General Order No. 98 as a result of inspections made since the cease and desist order of July 5, 1960. Inspections were made on August 10, October 19 and 30, December 7, 22 and 23, 1960, and on January 4, and 12, 1961. A summary of these inspections is as follows:

MAYFAIR SUBURBAN LINES

REPORT OF PASSENGER STAGE EQUIPMENT
AT VARIANCE WITH REQUIREMENTS OF
GENERAL ORDER NO. 98 AS DISCLOSED BY
STAFF INSPECTIONS AND SHOWING VEHICLES
REMOVED FROM SERVICE

INSPECTION AUGUST 10, 1960

1. BUS NO. 60 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.05 (Brakes to be Operative)

Right rear brake cam sticking causing unequal application of brakes.

INSPECTION OCTOBER 19, 1960

1. BUS NO. 56 (G.M.)

G. O. 98 Requirement

Description of Deviation

Sec. 10.05 (Brakes to be Operative)

Right front brake inoperative adversely affecting steering control when applying brakes. (Carrier required to make immediate correction).

2. BUS NO. 65 (G.M.)- *Vehicle placed out of service by P.U.C. staff.

G.O. 98 Requirement

Description of Deviation

Sec. 10.29 (Low Air Pressure Warning Signal)

Inoperative

10.75 (Air Brake Leaks and Defects)

*30 psi per minute air leak.

INSPECTION OCTOBER 30, 1960

- | | |
|---|--|
| 1. BUS NO. 63 (WHITE) - <u>*Vehicle placed out of service by P.U.C. staff.</u> | |
| <u>G.O. 98 Requirement</u> | <u>Description of Deviation</u> |
| Sec. 10.05 (Brakes to be Operative)
and
10.75 (Air Brake Leaks and Defects) | *Right rear brake chamber diaphragm leaking. |
| 2. BUS NO. 66 (WHITE) | |
| <u>G.O. 98 Requirement</u> | <u>Description of Deviation</u> |
| Sec. 3.07 (Tires) | Rear tires smooth. |
| 3. BUS NO. 65 (G.M.) | |
| <u>G.O. 98 Requirement</u> | <u>Description of Deviation</u> |
| Sec. 10.05 (Brakes to be Operative) | Rear brakes slack. |
| 10.22 (Air Governor Adjustment) | Inoperative. |
| 10.75 (Air Brake Leaks and Defects) | 10 psi per minute air leak. |
| 4. BUS NO. 56 (G.M.) | |
| <u>G.O. 98 Requirement</u> | <u>Description of Deviation</u> |
| Sec. 3.07 (Tires) | Rear tires worn through breaker strip. |
| 10.05 (Brakes to be Operative) | Left rear brake cam badly worn reducing the effectiveness of the brakes. |
| 10.22 (Air Governor Adjustment) | Inoperative. |
| 11.03 (Inspection and Maintenance) | Brake relay valve not secured, inducing fatigue of metal air lines and possible total air brake failure. |

INSPECTION DECEMBER 7, 1960

1. BUS NO. 66 (WHITE) - *Vehicle placed out of service by P.U.C. staff.

<u>G.O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 3.07 (Tires)	Rear tires smooth.
10.05 (Brakes to be Operative)	*Left rear brake cam turned over. Brake totally inoperative.

2. BUS NO. 81 (G.M.) - *Vehicle placed out of service by P.U.C. staff.

<u>G. O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 3.02 (Windshield Wipers)	*Drivers' windshield wiper inoperative.
10.05 (Brakes to be Operative)	Rear brakes slack.

3. BUS NO. 63 (WHITE) - *Vehicle placed out of service by P.U.C. staff.

<u>G.O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 10.05 (Brakes to be Operative)	*Rear brakes very slack; left rear cam riding to top and not releasing (inoperative).
10.75 (Air Brake Leaks and Defects)	*10 psi per minute air leak, left rear brake diaphragm.

4. BUS NO. 59 (WHITE)

<u>G.O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 3.07 (Tires)	Front tires smooth.

INSPECTION DECEMBER 22, 1960

1. BUS NO. 60 (G.M.)

<u>G.O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 3.07 (Tires)	Rear tires smooth.

2. BUS NO. 66 (G.M.)

<u>G.O. 98 Requirement</u>	<u>Description of Deviation</u>
Sec. 3.07 (Tires)	Rear tires smooth.

INSPECTION DECEMBER 28, 1960

1. BUS NO. 60 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.29 (Low Air Pressure
Warning Signal)

Inoperative.

2. BUS NO. 63 (WHITE)

G.O. 98 Requirement

Description of Deviation

Sec. 10.75 (Air Brake Leaks and
Defects)

10 psi per minute air leak.

INSPECTION JANUARY 4, 1961

1. BUS NO. 81 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.05 (Brakes to be Operative)

Right rear brake slack.

2. BUS NO. 60 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.75 (Air Brake Leaks and
Defects)

Excessive air leak at air
governor.

3. BUS NO. 65 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.29 (Low Air Pressure
Warning Signal)

Inoperative.

11.03 (Inspection and
Maintenance)

Air compressor pumping
excessive oil.

INSPECTION JANUARY 12, 1961

1. BUS NO. 65 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.05 (Brakes to be Operative)

Right rear and left front brakes slack.

11.03 (Inspection and Maintenance)

Excessive accumulation of oil in air tanks (worn compressor); left rear brake chamber loose on mounting.

2. BUS NO. 60 (G.M.)

G.O. 98 Requirement

Description of Deviation

Sec. 10.75 (Air Brake Leaks and Defects)

Main air line leaking between compressor and sludge trap.

MAYFAIR SUBURBAN LINES

REPORT OF PHYSICAL EXAMINATION
FOR DRIVERS AT VARIANCE WITH THE
REQUIREMENTS OF GENERAL ORDER NO. 98
AS OF DECEMBER 31, 1960

Number of drivers employed by carrier: 6 (5 full time - 1 part time).

G.O. 98 Requirement

Description of Deviation

Sec. 12.06 (Physical Examination Certificate Required)

Physical Examination certificates not on file for 4 drivers.

By way of explanation Holmes stated that all inspections by the staff were made in the evening as the buses came in from their runs and before he or his mechanic could make the necessary inspections. He was of the opinion that many of the deviations would have been detected and corrected before the buses were again operated. He stated that the poor condition of Stevens Creek Road resulted in a number of broken head lamps, broken pumps and particularly in air brake leaks and defects. It was his belief that smooth tires per se do not constitute a dangerous condition.

Once again respondent Holmes has failed to comply with the provisions of General Order 98 and by so doing he continues to jeopardize the public safety. A part of respondent's difficulties may result from a lack of capital, but this does not excuse the operation of dangerous equipment due to mechanical deficiencies which are attributable to inadequate inspections and neglect in performing necessary repairs. The Commission can sympathize with the riding public presently using respondent's service, but it would be derelict in its duty to the public if it permitted this operation to continue. It is apparent from the record that respondent is presently insolvent. It may be only a short while before the operation would be bankrupt, but in the meantime this Commission cannot afford to risk the lives and safety of many. The application will be denied and the operative rights of respondent will be revoked.

O R D E R

Application having been filed, an investigation having been instituted and the Commission being informed in the premises,

IT IS ORDERED that:

(1) The operative rights granted to Norman W. Holmes, created by Decision No. 56107 and as amended by Decisions Nos. 56447, 59260,

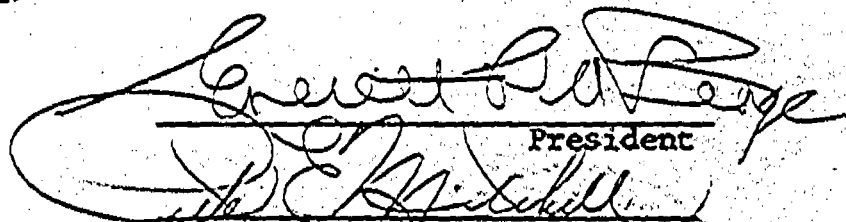
58630 and 56575 are hereby revoked and his tariffs and timetables presently on file with this Commission are hereby canceled.

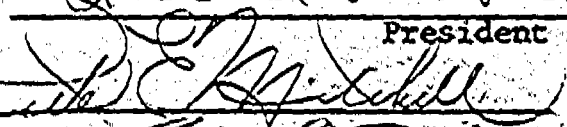
(2) Application No.41359 is hereby denied.

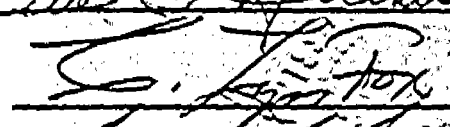
The Secretary of the Commission is hereby directed to cause a certified copy of this order to be served upon Norman W. Holmes.

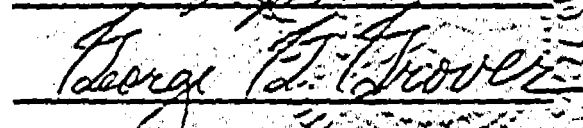
The effective date of this order shall be twenty days after service thereon upon Norman W. Holmes.


Dated at San Francisco, California, this 28th day of March, 1961.



President








Commissioners