

ORIGINAL

Decision No. 62414

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of MANUEL MARTINEZ, doing business as CHINO TRANSIT LINES, for authority to reroute and extend service to the California Youth Authority, Youth Training School, located between the California Institution for Men and the California Institution for Women, which institutions are now being served by applicant and to increase passenger fares.

Application No. 43541
(Filed June 26, 1961)

Manuel Martinez, in propria persona, and
Edward C. Plett, for applicant.

Timothy J. Carty and Fred G. Ballenger, for the
Commission's staff.

O P I N I O N

This application was heard before Examiner C. S. Abernathy at Chino on July 18, 1961, on which date it was submitted. Copies of the application and notices of the hearing were served in accordance with the Commission's procedural rules. There are no protests.

Applicant is an individual engaged in the business of operating a common carrier, passenger stage service for the transportation of passengers and baggage between Pomona, Chino, the California Institution for Men, and the California Institution for Women. By this application he seeks authority (a) to serve the Youth Training School of the California Youth Authority and (b) to establish increased fares on less than statutory notice.

The California Institution for Men, the California Institution for Women and the Youth Training School are correctional facilities which are located in the same general area about two to six miles southeasterly of Chino. Applicant's present services to the Institution for Men and the Institution for Women consist principally of the transportation of visitors to and from these institutions on authorized visiting days. Under applicant's proposals herein these services would be extended to include the Youth Training School also. This school now accommodates approximately 400 inmates and is being expanded to accommodate about 1,200 inmates. Assertedly, applicant has received requests for transportation service to and from the school, and the proposed changes in routes are in response to such requests. Assertedly, moreover, the changes in routes which are proposed are such that none of applicant's present patrons would be adversely affected by the changes.

Applicant alleges that the increases in fares which he seeks to establish are necessary to the maintenance of his operations. He states that since the establishment of his services in the latter part of 1959 he has been subjected to steadily increasing expenses, and that he has been able to maintain his services only by foregoing remuneration for the driving, maintenance, repair and office work that he does personally. He further states that he has exhausted all feasible economy measures, and that increases in his fares are his only recourse if he is to continue to serve the public properly.

Applicant's present fares are constructed on the basis of four principal fare zones and several subzones.¹ They range from 15 cents to 60 cents per one-way ride, depending upon the zones or subzones traversed. Certain round-trip fares are also provided.

By his proposals herein applicant seeks increases in his subzone fares, in some of his interzone fares, and in his round-trip fares. No increases are sought in the intrazone fares except those involving subzones. Examples of applicant's present fares, and of those which he seeks to establish, are as follows:

	Present Fares (in cents)	Proposed Fares (in cents)
Subzone		
One subzone	15	20
Two subzones	20	25
One zone	25	25
Two Zone	30 50 (R.T.)	35 -
Three Zone	50 75 (R.T.)	50 -
Four Zone	60 110 (R.T.)	85 140

R.T. - Round-trip fare

According to revenue and expense data which were submitted with the application, applicant's financial results of operations for the year 1960 were as follows:

Revenues	\$ 7,937
Expenses	<u>9,981</u>
Loss	\$ 2,044

^{1/} Applicant's subzone fares were established subsequent to the publication of his applicable tariff, and constitute reductions in the fares that would otherwise apply within the area between his Pomona and Chino terminals.

The expense figures which are shown are exclusive of any allowance for expenses which were incurred for rental of operating equipment, for taxes and licenses, and for utilities such as water, telephone, and electricity. Also they do not include any provision for applicant's own services. Were allowance made for these items, the reported expenses and operating loss would have been correspondingly greater.

On the basis of the foregoing data applicant estimated that establishment of the increased fares which he seeks would enable him to realize approximately \$3,800 in additional revenues from his services during the coming year. He also estimated that his operating results for the year under the increased fares would be as follows:

Revenues	\$ 11,715
Expenses	<u>11,271</u> **
Net Operating Revenues	\$ 444
Income Taxes	<u>100</u>
Net Income	\$ 344
Rate Base	11,244
Operating Ratio	96.2%
Rate of Return	3.1%

** Exclusive of any remuneration for services which applicant provides personally in his operations.

Estimates of applicant's results of operations for the coming year were submitted also by a transportation engineer of the Commission's staff. These estimates had been developed by the engineer from an analysis which he had made of applicant's operations and records -- particularly those having a bearing upon the volume of the traffic which applicant may expect and anticipated expenses. As compared with the estimates of applicant, those of the engineer are more complete in that they include provision for charges that should reasonably apply as compensation for the driving of the buses and other services that applicant personally performs in the conduct of his operations. The estimates of the engineer are as follows:

Estimated Results of Operation
Under Present and Proposed Fares
for Year Ending July 31, 1962

	<u>Under Present Fares</u>	<u>Under Proposed Fares</u>
Revenues	\$ 8,530	\$11,050
Expenses	<u>11,610</u> **	<u>11,610</u> **
Net Operating Revenues	<u>(\$ 3,260)</u>	<u>(\$ 560)</u>
Income Taxes	-	
Net Income	<u>(\$ 3,260)</u>	<u>(\$ 560)</u>
Rate Base	\$ 9,660	\$ 9,660
Operating Ratio	139%	105%
Rate of Return	-	-

** Includes an adjustment in depreciation expense

 Indicates loss

Discussion Findings and Conclusions

The authority which applicant seeks herein to serve the Youth Training School of the California Youth Authority should be granted. It appears from the showing which has been made in this respect that at the present time no public passenger stage service is available to this correctional facility and that there is a need for such service. It appears furthermore that the route changes which applicant proposes in this respect can be made without detriment to applicant's present patrons and that applicant's operations will be benefitted thereby. In view of these considerations we find and conclude that public convenience and necessity require that the proposed changes in applicant's routes be made.

In connection with such changes in applicant's prescribed routes, it appears that another change should be made also. The record shows that applicant has effected a minor revision in route within Pomona in order to meet requirements of that city. In the circumstances it appears that a corresponding modification should be made in applicant's operating authority. The order hereinafter will so provide.

With the incorporation of the foregoing route changes in applicant's present operating authority, the authority will be restated for the purposes of clarity of definition of the applicable provisions for the future.

The authority which applicant seeks to establish increased fares should likewise be granted, subject to the exceptions provided below. Clearly, applicant cannot long maintain

his operations under present fares at the rate of loss indicated by the operating ratio figure of 139 percent developed by the Commission engineer. Even under the increased fares it appears that applicant will continue to experience some losses. We find and conclude that the sought fare increases have been shown to be justified. They will be authorized with the exception of the one-way and round-trip fares of \$.85 and \$1.40 respectively which applicant would establish between Pomona and the California Institution for Women. Such fares would exceed the aggregate of the intermediate fares that would otherwise apply for the transportation involved. Through fares in excess of the aggregate of the intermediate fares are prohibited both by Section 460 of the Public Utilities Code and Article XII, Section 21, of the State Constitution. In order to comply with such prohibitions the increased fares between Pomona and the California Institution for Women will be limited to \$.75 one-way and \$1.25 round-trip. It does not appear that this limitation will have a significant effect upon applicant's operating results. In view of applicant's need for early relief from his present rate of loss, he will be authorized to establish the authorized fares on five days' notice to the Commission and to the public.

O R D E R

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

IT IS HEREBY ORDERED that:

1. A certificate of public convenience and necessity be, and it hereby is, granted to Manuel Martínez, an individual doing

business as Chino Transit Lines, authorizing him to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes as more particularly set forth in Appendix "A" attached hereto and made a part hereof.

2. The certificate of public convenience and necessity which is granted by paragraph 1 of this order supersedes the certificate of public convenience and necessity granted to Manuel Martinez, by Decision No. 59369, dated December 9, 1959, in Application No. 41560, which certificate is hereby revoked, said revocation to become effective concurrently with the effective date of the tariff filings required by paragraph 3(b) hereof.

3. In providing service pursuant to the certificate herein granted, Manuel Martinez shall comply with the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that he will be required, among other things, to file annual reports of his operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98 and insurance requirements of the Commission's General Order No. 101-A. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Orders Nos. 98 and 101-A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, and on not less than ten days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate and

concurrently make effective, tariffs and timetables satisfactory to the Commission.

4. Manuel Martinez be, and he hereby is, authorized to amend his Passenger Tariff Cal. P.U.C. No. 2, on not less than five days' notice to the Commission and to the public, to establish the fares and related provisions which are set forth in Appendix "B" attached hereto and by this reference made a part hereof.

5. In addition to making the tariff filings required in connection with the establishment of the fares herein authorized, Manuel Martinez shall notify the public of said fare changes by posting a statement of said changes at his terminals and in each of his vehicles. Said notice shall be posted not less than five days before the date that the changes are made effective, and shall remain posted until not less than ten days after said date.

6. Except as is otherwise provided herein, the authority which applicant seeks to establish increased fares be, and it hereby is, denied.

7. The authority which is granted in the above paragraph 4 shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 15th day of August, 1961.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges applicable thereto.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

Issued under authority of Decision No. 62414
dated August 15, 1961, of the Public Utilities Commission
of the State of California, on Application No. 43541.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

The certificate hereinafter noted supersedes all operating authority heretofore granted to Manuel Martinez, an individual.

Manuel Martinez (doing business as Chino Transit Lines), by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers and their baggage between Pomona, on the one hand, and Chino, the California Institution for Men, the California Institution for Women, and the Youth Training School of the California Youth Authority, on the other hand, serving the termini and all intermediate points, subject to the following provisions:

- (a) Motor vehicles may be turned at termini or intermediate points, in either direction, at intersections of streets, or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction they apply to operation in either direction, unless otherwise indicated.

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SECTION 2. ROUTE-DESCRIPTION

Subject to the authority of this Commission to change or modify such at any time, Manuel Martinez (doing business as Chino Transit Lines) shall conduct passenger stage operations between the following points and over and along the following described route:

ROUTE

Commencing at the Pomona Transportation Terminal located near the intersection of Thomas Street and Commercial Street, in Pomona, thence along Commercial Street, Garey Avenue, Fifth Street, Kadota Avenue, Grant Avenue, East End Avenue, Francis Avenue, Pipe Line Avenue, Walnut Avenue, East End Avenue, Riverside Drive, Sixth Street, "D" Street (Chino), and Central Avenue, to the California Institution for Men located at Merrill Avenue, thence along Central Avenue, Kimball Avenue and Euclid Avenue to the Youth Training School of the California Youth Authority, thence along Euclid Avenue and Pine Avenue to the California Institution for Women located at Chino-Corona Road.

Return via the reverse of the going route to the intersection of Central Avenue and Chino Avenue, thence along Chino Avenue, Sixth Street, "D" Street, Central Avenue and Riverside Drive to Sixth Street, thence via the reverse of the going route to the Pomona Transportation Terminal.

End of Appendix A

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Appendix "B" to Decision No. 62414

Authorized Fares (in cents)

Between And	Zone				3	4
	I I(a)	I I(b)	2 2(a)	2 2(b)		
<u>Zone 1</u>					50	75 125(R.T.)
1(a)	20	25	30	35		
1(b)		20	25	30		
<u>Zone 2</u>					35	50
2(a)			20	25		
2(b)				20		
<u>Zone 3</u>					25	40 75(R.T.)
<u>Zone 4</u>						25

R.T. - Round-trip fare
All fares per one-way ride fares unless otherwise indicated.

Fare Zones

- Zone 1 - Zones 1(a) and 1(b)
 - 1(a) - Between Pomona Transportation Terminal, near the intersection of Thomas Street and Commercial Street, in Pomona, and Grand Avenue at Kadota Avenue.
 - 1(b) - Between Grand Avenue at Kadota Avenue and Philadelphia Avenue at Pipeline Avenue.
- Zone 2 - Zones 2(a) and 2(b)
 - 2(a) - Between Philadelphia Avenue at Pipeline Avenue and East End Avenue at Riverside Drive.
 - 2(b) - Between East End Avenue at Riverside Drive and 5197 "D" Street, Chino.
- Zone 3 - Between 5197 "D" Street, Chino, and the California Institution for Men.
- Zone 4 - Between the California Institution for Men, on the one hand, and the California Institution for Women and the Youth Training School, California Youth Authority, on the other hand.

(End of Appendix "B")