

ORIGINALDecision No. 65675

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CERTIFIED CHARTER BUSES, INC., a)
 corporation, doing business as)
 CALIFORNIA CHARTER BUSES, of)
 Wilmington, for a permit to operate)
 as a charter party carrier of)
 passengers (File No. TCP-96).)

Application No. 45311

Daniel T. Shelley and Hector A. Shelley, for
 Certified Charter Buses, Inc., applicant.
K. D. Walpert, for R. W. Russell, Chief
 Engineer and General Manager, Department
 of Public Utilities and Transportation,
 City of Los Angeles, as an interested
 party.
Lawrence O. Garcia, Douglas Quinlan, and
William Williams, for the Commission
 staff.

O P I N I O N

Applicant herein applied on March 6, 1963 for a permit to operate as a Charter Party Carrier of passengers under Sections 5371 and 5375 of the Public Utilities Code. The application was set for hearing to enable applicant to present evidence as to the method of assessing the value of its buses and to explain its maintenance program.

A public hearing was held in Los Angeles on May 15, 1963, before Examiner Fraser. The vice president of applicant testified that he and his father each own 50 percent of the stock in the corporation. Applicant started operating in 1962 after taking over the business and operating rights of H. A. Shelley, doing business as Wilmington Bus Company, which has been operating

since 1925. The witness testified he has been in the bus business since 1951 and that applicant also operates as a passenger stage corporation under the authority granted by Decision No. 64190 and Decision No. 64627.

The witness testified that applicant normally operates with the nine buses on its equipment list, which is a part of the application; there are 3 parlor coaches, 5 school buses and 1 transit bus; if additional equipment is required, applicant has 11 more buses (53 passengers) used by the Safeway Bus Co., which applicant also owns; ten of these are 1952 models and one is a 1953 model. The witness stated the company accountant made an error on the operating statement attached to the application. Bus No. 53 on applicant's equipment list is owned by Mr. H. A. Shelley personally and is leased to applicant. The accountant listed this bus among applicant's assets at a valuation of \$21,000; this amount should be deducted from the \$42,699.60 item for passenger equipment, which leaves \$21,699.60 less a reserve for depreciation of \$3,824.98, or a total of \$17,874.62 as the corrected valuation to be inserted in place of \$38,814.62, on the balance sheet attached to the application.

The witness testified that applicant maintains a public liability and property damage insurance policy with a coverage of one hundred thousand dollars for property damage, five hundred thousand dollars for a single injury and one million dollars for a single accident. He stated that applicant will file proof of this insurance coverage whenever it is asked to do so by the Commission.

The witness testified that he and his father live next to the garage where they park the buses and personally dispatch the buses and check on the drivers before they leave and after they return; they keep the required records on every bus and on all of their drivers; they have a mechanic employed full time to perform the necessary maintenance and repairs on the buses and a chart is kept (Exhibits 1, 3) which shows each bus by number, the dates on which work was done and a description of the job along with the speedometer reading; they also keep a Daily Shop Work Report (Exhibit 6) which itemizes the work done daily and divides it into thirty-minute periods.

The witness testified they had an accident on February 22, 1963, when one of their school buses turned over while returning from a youth camp with forty-one passengers; one girl suffered a cracked collarbone, the rest of the children were not injured. The bus was checked immediately after the accident by the witness and a representative of this Commission. It had a broken axle and was towed to a garage in San Bernardino where it was repaired. The bus is a school bus and was inspected by the California Highway Patrol about thirty days before the accident; it has regular maintenance checks as shown by Exhibit 1, which shows the work performed on the bus from October 5, 1962 to February 15, 1963. Exhibit 2 is a picture of the bus, which is identified as bus No. 21 in applicant's records. The witness stated Exhibit 1 shows the brakes were adjusted on February 15, 1963, which would normally include an inspection of the master brake cylinder.

A witness for the Commission staff testified that he checked bus No. 21 shortly after the accident and later when it was available at applicant's garage. He inspected the master brake cylinder and had all four wheels removed to check the wheel cylinders. He discovered the master hydraulic brake cylinder had been leaking brake fluid for several days and that the brake cylinder on the right rear wheel was also leaking fluid; the leak in the master cylinder was evident to anyone crawling under the bus, but the leak in the cylinder on the right rear wheel could be discovered only by taking off the wheel and then removing the rubber boot over the cylinder. The leaks could have contributed to the accident along with the steep hill and the heat generated by frequent application of the brakes. The witness testified that a proper program of preventive maintenance would have eliminated these leaks when they started, or would have avoided them altogether by replacing worn parts before the fluid could escape. He stated applicant has the facilities and the personnel to institute and maintain a policy of preventive maintenance.

Based upon the evidence we hereby find that:

1. Applicant is engaged in the transportation of passengers over the public highways for compensation as a charter party carrier of passengers under the provisions of Sections 5351 to 5419 of the Public Utilities Code.
2. Applicant herein and its predecessor have been transporting passengers for compensation since 1925 and applicant herein has demonstrated reasonable fitness and financial responsibility to conduct the proposed service.

3. Applicant herein has adequate facilities and trained personnel to institute and maintain a program of preventive maintenance on all of its buses.

4. Applicant herein should adopt an effective preventive maintenance program and maintain a set of records on each bus in service which will show the scope of each inspection and the date on which it was made.

Based on the above findings we therefore conclude that Application No. 45311 should be granted.

O R D E R

IT IS ORDERED that:

1. Application No. 45311 is hereby granted and a permit to operate as a charter party carrier of passengers is hereby issued to Certified Charter Buses, Inc., a corporation, doing business as California Charter Buses.

2. Applicant herein shall adopt a program of preventive maintenance without delay, whereby all buses in use are inspected at regular intervals by a qualified mechanic acceptable to designated representatives of this Commission and complete records shall be kept in the office or terminal

of applicant which list each vehicle separately and show the date on which the inspections or the repairs were made and the work done.

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

Dated at San Francisco, California,
this 9th day of July, 1963.

William M. Bennett
President

George T. Trover

Frederick B. Hallock
Commissioners