

ORIGINALDecision No. 70616

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of N. T. Chastain, an individual doing business under the firm name of REDDING BUS LINES, for the transfer of his operating rights and certificates of public convenience and necessity between the points presently served by REDDING-LAKEVIEW STAGE, REDDING CITY LINES and SHASTA DAM STAGE; and the authority to sell his interest in REDDING BUS LINES to LUCY ROYCE CHASTAIN, an individual receiving one half of the business in a property settlement through the Superior Court of the State of California.

Application No. 45821
(Filed September 30, 1963)

Investigation on the Commission's own motion into the operations, tariffs, rates, charges, practices and services of LUCY ROYCE CHASTAIN, an individual, doing business as REDDING BUS LINES.

Case No. 7994
(Filed August 25, 1964)

In the matter of the application of James M. James, an individual for a certificate of public convenience and necessity to operate passenger, baggage and express service between Redding, California and New Pine Creek (Oregon-California border).

Application No. 47964
(Filed October 11, 1965)

In the matter of the application of N. T. Chastain, an individual, for a certificate of public convenience and necessity to operate passenger, baggage and express service between Redding, California and Alturas, California; and between Redding, California and adjacent areas of Shasta Dam, Central Valley, Enterprise, Mistletoe, Bonneyview and Anderson.

Application No. 47981
(Filed October 20, 1965)

Alvin M. Cibula, for N. T. Chastain; Walter M. Wood,
for James M. James; and James M. James, for himself;
applicants.
David R. Larrouy and Hilton H. Nichols, for the
Commission staff.

O P I N I O N

A certificate of public convenience and necessity was granted to Lucy Royce Chastain, doing business as Redding Bus Lines, by Decision No. 66531, dated December 27, 1963, in Application No. 45821. The Commission instituted an investigation (Case No. 7994) of Redding Bus Lines on August 24, 1964, and on September 1, 1965, Mrs. Chastain wrote to the Commission and requested that her certificate be revoked. Two other applicants filed to request that the authority held by Mrs. Chastain be reissued.

In Application No. 47964, James M. James requested authority to provide passenger bus service from Redding to Alturas and the Oregon-California border. In Application No. 47981, N. T. Chastain requested authority to institute service from Redding to Alturas and to provide local service from Redding to Shasta Dam, Central Valley, Enterprise, Mistletoe, Bonneyview and Anderson.

All the matters were consolidated and a hearing was held before Examiner Fraser in Redding on December 1, 1965 on which date they were submitted. It was stipulated that Case No. 7994 could be discontinued and that a new certificate should be issued replacing the certificate granted by Decision No. 66531. Mrs. Chastain was advised of the hearing, but did not attend and was not represented.

Applicant N. T. Chastain testified as follows: He started operating local bus service in the Redding area in 1954. The service was extended to Alturas and the Oregon border on January 1, 1957 when he purchased another operator's certificate. He and his wife operated the business until late 1962 when he became very ill and she obtained a divorce. She was granted the bus line and the final decree of divorce was signed in 1963. He worked part time in the business until February 1964 when his wife turned over the bus line to an

employee, who immediately discontinued all local service and operated until May 21, 1964, when Lucy Chastain resumed operating with N. T. Chastain driving and managing the business. In September of 1964 Lucy Chastain returned to teaching and the witness agreed to continue operating the line until she either sold it or decided to run it herself. Two drivers and a part time bookkeeper are employed. A 12-passenger and a 10-passenger bus are operated and another 10-passenger bus is used as a standby vehicle. Presently one trip to Alturas and return is provided seven days a week, carrying passengers, freight and mail; five days of the week service is also provided between Redding and Central Valley. The business is operating at a loss and the primary income on the Alturas operation is realized from carrying the United States mail under government contract. An estimated 100 passengers a month are carried on the Redding-Alturas route and some freight. The freight and passenger revenue are about the same. If a new certificate is granted, N. T. Chastain will obtain a loan from the Bank of America and purchase two 12-passenger buses with extra baggage space and a large roof rack.

He also proposes to expand the local service presently operated to Shasta Dam, Project City and Summit City, the Central Valley operation by extending south to the County Hospital and Anderson; and east on Highway 44 a short distance. All three local routes will have three schedules a day on a five-day-a-week basis. The Central Valley round trip requires 45 minutes, the Anderson round trip 60 minutes and the Highway 44 round trip 30 minutes. There are no early morning or evening schedules so the customers will be shoppers, and those going into town to visit or obtain medical treatment. The Redding-Alturas bus will leave Redding every day at 8:00 a.m. and arrive in Alturas at 12:25 p.m.; the same bus

leaves Alturas at 1:05 p.m. and arrives back in Redding at 5:20 p.m. The one-way fare between Redding and Alturas will be \$6.65 and the round-trip fare \$12.00. The area from Alturas to the Oregon border is sparsely settled and is served by Greyhound down Highway 395 from Oregon. People who reside north of Alturas along Highway 395 shop and obtain medical and dental care in Lakeview, Oregon. There is no need for a regular service from Lakeview to Redding. Applicant Chastain's November 12, 1965 financial statement shows current assets of \$30,316.09, which includes \$14,500.00 for his house and lot; current liabilities list at \$7,661.67, including \$6,880.00 owing on the said house and lot. The annual income from the Redding-Alturas run was estimated as \$20,000.00 gross; the gross income on the Central Valley operation was estimated as \$6.00 a day on Monday through Thursday with as much as \$16.00 on a Friday. Operating expense was quoted as about 17 cents a mile on 108,000 miles.

A Commission engineer testified that the area east of Redding is too sparsely populated to support a bus service into town. He further testified that in the Redding-Anderson area a bus operation with only three round trips a day is not likely to have sufficient paying customers to meet expenses. He recommended that the service to Central Valley should be reinforced with additional schedules and maintained as a self-supporting operation before new areas are served.

Applicant James testified that he started as a bus driver with Peerless Stages in 1924; he then spent 19 years with Greyhound Lines; and he became a truck driver from 1943 to 1944 and worked with Redding Stages from 1944 to 1948. He stated that from 1948 to 1957 he managed a bus line which operated from Redding to Alturas and Lakeview, Oregon. He further testified that since 1957 he has done all of the repair work for buses operated by Eureka-Redding Stages, Inc., and he now operates a garage specializing in truck and bus

repair. He proposes to serve from Redding to Alturas on Highway 299 and along Highway 395 from Alturas to New Pine Creek on the Oregon border. The service from Alturas to New Pine Creek will be operated on an "on call" basis for five or more passengers. The service between Redding and Alturas will be furnished seven days a week, with one round trip daily. The bus will leave Redding at 8:00 a.m., arrive in Alturas at 12:15 p.m., leave Alturas at 1:00 p.m. and arrive back in Redding at 5:15 p.m. James testified that he will continue to operate his garage if the authority he seeks is granted; he will consider the bus line as a second separate business endeavor, although he plans to repair and maintain his own buses. He stated that he is 62 years old; is licensed to drive a bus; owns two buses but will not use these vehicles in the proposed service; additional equipment will be purchased for the Redding to Alturas route; the operating cost between Redding and Alturas is estimated at about 25 cents a mile. He testified that no extra equipment will be needed from Alturas to the Oregon line; he is reserving the route as part of a plan to extend service to Lakeview, Oregon. If five people insisted on service from Alturas to the Oregon line, he would hire a taxicab. The distance from Redding to Alturas is 141 miles and 179 miles from Redding to New Pine Creek on the Oregon border. The one-way fare from Redding to Alturas will be \$6.65. Redding to New Pine Creek \$8.40 and Alturas to New Pine Creek \$1.75. Round-trip fares will be 180 percent of the one-way fare. He testified that his experience indicates that local bus routes in the vicinity of Redding will not earn sufficient money to be self-supporting.

The financial statement attached to the James application fails to include operating costs or revenue applicable to the garage; it does list assets of \$14,581.73 and a net worth of \$12,347.56.

Upon consideration of the evidence, the Commission finds as follows:

1. Mrs. Lucy B. Chastain is the holder and owner of a certificate which authorizes her to operate passenger stage service from Redding to Alturas, from Redding to Summit City, Project City and Shasta Dam via Central Valley, and in the City of Redding and surrounding area.

2. On August 25, 1964 the Commission instituted Case No. 7994, which is an investigation of the operations Mrs. Chastain has requested authority to abandon.

3. Mrs. Chastain has not been active in the business for over a year, and on September 1, 1965 she requested authority to discontinue service.

4. James M. James and N. T. Chastain each have individually applied for authority to serve the area, the operative rights for which are owned by Mrs. Chastain.

5. Applicant James has over 30 years' experience in driving and operating buses, including ten years of managing a bus company which provided service between Redding and Alturas. He will have to purchase his operating equipment if authority is granted to him and he proposes to provide no local service in the Redding area.

6. Applicant Chastain is now operating the service under authority of Mrs. Chastain's certificate. He picks up and delivers mail on the route under contract with the United States Post Office Department. His contract expires in mid-1966 and will then have to be re-negotiated for another four years.

7. Each applicant is qualified to operate a passenger service over the routes requested. Chastain has been providing the service and holds the mail contract. He is better qualified than James.

8. The service should not be expanded. The service to Summit City, Project City and Shasta Dam is not profitable as yet and there was no public witness testimony showing a need for expansion.

9. Applicant James has failed to establish that public convenience and necessity require that he provide the service he has proposed.

10. Applicant Chastain possesses the experience, equipment, personnel and financial resources to institute and maintain the proposed service.

11. Public convenience and necessity require that the Chastain application be granted as set forth in the ensuing order. ✓

The Commission concludes as follows:

1. The operating authority granted to Lucy Royce Chastain by Decision No. 66531, dated December 27, 1963 in Application No. 45821 should be revoked.

2. Case No. 7994 should be discontinued.

3. Application No. 47964 should be denied.

4. Application No. 47981 should be granted in part and a certificate of public convenience and necessity issued to N. T. Chastain authorizing him to operate a passenger stage service from Redding to Alturas and Redding to Summit City, Project City and Shasta Dam through Central Valley.

N. T. Chastain is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to N. T. Chastain, an individual, 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 particularly set forth in Appendix A attached hereto and made a part hereof.

2. In providing service pursuant to the certificate herein granted, applicant N. T. Chastain shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. Applicant is placed on notice that, if he accepts the certificate of public convenience and necessity herein granted, he will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-A and insurance requirements of the Commission's General Order No. 101-A. Failure to comply with and observe the safety rules, or the provisions of General Orders Nos. 98-A or 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, applicant shall establish the service herein authorized and file tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order or not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the service herein authorized.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98-A.

(e) Applicant shall maintain his accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of his operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

3. In all other respects, Application No. 47981 is hereby denied.

4. The certificate of public convenience and necessity granted to Lucy Royce Chastain by Decision No. 66531, dated December 27, 1963, in Application No. 45821, is revoked, and all tariffs in connection therewith presently on file with the Commission are canceled.

5. The investigation in Case No. 7994 is discontinued.

6. Application No. 47964 is denied.

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

Dated at San Francisco, California, this 26th day of APRIL, 1965.

Frederick B. Hallock
President
W. E. Mitchell
George T. Crow
August
William W. Bennett
Commissioners

hh

APPENDIX A

N. T. CHASTAIN
doing business as
REDDING BUS LINES

Original Page 1

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. 70616,
Dated April 26, 1966, of the Public Utilities Commission
of the State of California, on Application No. 47981.

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

N. T. Chastain, doing business as Redding Bus Lines, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers, baggage and express between the City of Redding and the City of Alturas and intermediate points and between the City of Redding and Shasta Dam and intermediate points, over the routes as hereinafter described, 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.
- (c) The transportation of express shall be limited to a weight of one hundred (100) pounds per shipment and shall be transported on passenger carrying vehicles.

Issued by California Public Utilities Commission.

Decision No. 70616, Application No. 47981.

SECTION 2. ROUTE DESCRIPTIONS.

Redding - Alturas Route

Between Redding and Alturas via U. S. Highway 299 serving the intermediate points of Round Mountain, Hillcrest, Burney, Fall River Mills, Bieber, Adin and Canby. Also between Hillcrest and Big Bend, which service shall be operated on an "on call" basis for five or more passengers.

Redding - Shasta Dam Route

Commencing in the City of Redding; thence via U. S. Highway 99, Twin View Boulevard, U. S. Highway 99, Cascade Boulevard, Grand Coulee Boulevard, Shasta Dam Boulevard, Lake Boulevard and U. S. Highway 99 to the point of beginning.

Also from the intersection of Shasta Dam Boulevard and Lake Boulevard along Lake Boulevard to Shasta Dam Plaza.

Issued by California Public Utilities Commission.

Decision No. 70616, Application No. 47981.