

**ORIGINAL**

Decision No. 72078

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Kenneth Hames doing business as DESERT  
STAGE LINES for a certificate of public  
convenience and necessity for a passenger  
stage service between the MARINE BASE  
at Twenty-Nine Palms and the City of  
PALM SPRINGS, CALIFORNIA.

) Application No. 48761  
(Filed September 6, 1966)

Kenneth Hames, in propria persona.  
Franklin J. Dean, for J. C. Hastie,  
doing business as Twentynine  
Palms Stages, protestant.  
J. M. McFadden, for City of Palm  
Springs; W. E. Huston, for  
Senior Citizens Club; George C.  
Mueller, for City of Desert Hot  
Springs; and W. G. Nichols and  
Louis Adelman, for Desert Hot  
Springs Chamber of Commerce;  
Interested parties.  
Fred G. Ballenger, for the Com-  
mission staff.

O P I N I O N

This application was heard before Examiner DeWolf on November 22, 1966, on which date it was submitted.

The protestant is J. C. Hastie, doing business as Twentynine Palms Stages.

Applicant requests authorization to institute and conduct operations as a passenger stage corporation for the transportation of passengers and their baggage and package express between the unincorporated community of Twentynine Palms, Joshua Tree, Yucca Valley, Morongo Valley, Desert Hot Springs, and Palm

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Springs. The route will begin at the Administration Building of the Marine Corps Base at Twentynine Palms and end at the Palm Springs Municipal Airport. Applicant proposes a restriction that no passengers be transported in the City of Palm Springs between Indian Avenue and San Rafael Road and the airport.

Applicant presently does not possess any authority to transport passengers within the State of California.

Applicant proposes to operate two round trips per day, the timetable to be adjusted to provide connections with the current timetables of other passenger carriers serving Palm Springs. A graduated fare schedule is attached to the application and provides for fares from 20 cents to \$2.20 for passengers and from 60 cents to \$1.85 per hundred pounds for express, and C.O.D.s from 75 cents to \$2.00 with a maximum collection to be handled of \$200.

The applicant testified that he owns and operates a bus sales and leasing business in Fresno, California, and operates school buses. Applicant's testimony as to his financial condition is that it has improved some since his 1965 statement of income attached to the application which shows gross income for 1965 of \$329,442.66 and net operating profit of \$27,393.42.

Applicant testified that the proposed service would traverse the same route as Twentynine Palms Stages as far as Yucca Valley, California, then would proceed to Desert Hot Springs and Palm Springs, which protestant does not serve, and would meet the Greyhound bus schedules at Palm Springs instead of Colton. Applicant admitted that all of this would be in

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direct competition with Twentynine Palms Stages, except that applicant does not plan to make stops at the same points as the protestant and will not operate his schedules closer than one hour to protestant's schedules.

Applicant testified that the proposed service is primarily for the benefit of servicemen who desire to proceed from the Marine Corps Base to the Greyhound terminal at Palm Springs where more bus connections are available than at Banning.

Applicant produced no statistics showing any estimates of the number of passengers who would be patronizing the service or as to the need for the transportation of express or baggage.

Four residents of Desert Hot Springs testified in support of the application and agreed that there is no public transportation to that community. Two of the witnesses were Chamber of Commerce representatives, one a councilman and one the president of a senior citizens' club. All of them drive their own cars for transportation and would use bus service only occasionally. It was testified that the senior citizens of the community need the service and that the club has 300 members.

The manager of the Palm Springs Airport testified in support of the application that the proposed service would be a benefit to the passengers arriving at the airport but that he had no information in regard to the possible number of passengers who would require the service. The airport manager further testified that an airline utilizing an eight-passenger air taxi operates two flights each day from Palm Springs to Las Vegas with a flag stop at Twentynine Palms.

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An officer in charge of personnel at the Marine Corps Base at Twentynine Palms testified in support of the application. The officer testified that two trips per day would be sufficient service for the Base; that some of the Marines would use service to Palm Springs for excursion trips, but that most of them would be making connections with Greyhound buses; that there are more schedules to be met at Palm Springs than at Banning; that it would be more convenient at the Palm Springs station and that air transportation is available at the new Palm Springs Airport.

The witness estimated that there would be 1,500 more permanent personnel at the Base when a communications and electronics school is stationed there and that the need for additional service is increasing. He stated that at least half of the passengers now using the present service to Banning would use the applicant's proposed service to Palm Springs and that there is a possibility that the Twentynine Palms Stages will lose passengers originating at or destined to the Marine Base if the present application is granted.

He further testified that it made no difference to him who furnished the service and that service by the existing bus company would also be satisfactory.

One of the witnesses testified that a bus did operate about three years ago between Palm Springs and Desert Hot Springs, but that it ran for only a short time and was discontinued for lack of funds.

The witnesses testified that the majority of the passengers desiring this service are the Marines at the Base and senior citizens and others at Desert Hot Springs.

The protestant stated that he has been operating since 1937; that his operation is unprofitable; that he handles express, baggage and newspapers to increase the revenue; that he desires to continue his operation<sup>1/</sup> and is planning to improve the service and put on additional equipment and that he would file an application to serve Desert Hot Springs and Palm Springs if it would increase his revenue and support the service, which he presently furnishes.

Protestant testified that he believes the operation proposed by applicant would reduce his revenue by about one-half; that he would be required to take off one schedule, discharge a driver and attempt to run one schedule alone; that this would be unsatisfactory for him and that he would have to do other work besides to keep going.

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<sup>1/</sup> Protestant testified that he runs two schedules per day round trip from Twentynine Palms to Banning and the fare is \$2.20; his revenue is obtained 75 percent from passenger fares and 25 percent from freight, express and baggage.

Findings

Upon consideration of the evidence, the Commission finds that:

1. Applicant's proposed service from Twentynine Palms to Highway 60, south of Morongo Valley, traverses a route and pickup points that are not materially different from the route and pickup points now served by protestant.

2. Applicant's proposed service will draw upon a segment of the traveling public that would normally utilize the protestant's service from all points on the proposed route except Desert Hot Springs and Palm Springs.

3. Applicant's proposed service will be likely to reduce the patronage of the protestant to the extent that his revenue would be substantially reduced.

4. Twentynine Palms Stages is providing satisfactory service between the Marine Base, Twentynine Palms, Joshua Tree, Yucca Valley, Morongo Valley, and Banning, and is providing satisfactory connections with the Greyhound buses at Banning.

5. Applicant has failed to establish that public convenience and necessity require the proposed service. The application will be denied.

O R D E R

IT IS ORDERED that Application No. 48761 is denied.

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

Dated at San Francisco, California, this 28<sup>th</sup>  
day of FEBRUARY, 1967.

President

William G. Bennett

William Ayers J.

Neal P. Morrison  
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner A. W. Gotov, being necessarily absent, did not participate in the disposition of this proceeding.