

Decision No. 81197

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
RUDOLPH MONCADO for certificate of
Public Convenience and Necessity to
Operate Passenger Service between
SAN YSIDRO, U. S. BORDER, and LOS
ANGELES.

Application No. 53335
(Filed May 16, 1972)

Donald R. Von Mizener, Attorney at Law,
for Rudolph Moncado, applicant.
Russell & Schureman, by Carl H. Fritze,
Attorney at Law, for American Bus
Lines, Inc., protestant.
W. L. McCracken and S. R. Ringwood,
Attorneys at Law, for Greyhound
Lines - West, protestant.
Robert W. Russell, Chief Engineer and
General Manager, Department of Public
Utilities and Transportation, by
K. D. Walpert, for City of Los Angeles,
interested party.
Edward C. Crawford, for the Commission
staff.

O P I N I O N

Rudolph Moncado requests a certificate of public convenience and necessity to operate a service between San Ysidro, U. S. Border, and Los Angeles.

Public hearing was held in Los Angeles before Examiner DeWolf on October 17, 1972. Protestants are Greyhound Lines - West and American Bus Lines, Inc. The Division of Finance and Accounts for the Public Utilities Commission filed a financial report.

At the hearing applicant amended his application to request authorization to institute and conduct operations as a passenger stage corporation for the transportation of passengers and their luggage between East Los Angeles and the United States border at San Ysidro, with no intermediate service.

Applicant presently does not possess any authority to transport passengers within the State of California. Applicant's evidence in support of the application consists solely of his own testimony. No public witnesses were called in regard to need for the service.

Applicant testified that he wants to start a small minibus line with straight through express service from a location in East Los Angeles to the United States border. He will use seven passenger buses and employ bilingual drivers. Applicant has no previous experience in operating a passenger bus line. Applicant testified that he is a professional driver with a Class 1 California license, and that he is an experienced truck driver presently employed. He will take time off to operate the bus line. Applicant proposes to employ members of his family; some of whom are to work for \$1.00 per day and others at minimum wage, as well as experienced drivers.

Applicant plans to buy a bus, procure insurance, and have the highway patrol make the vehicle inspections after the Commission issues a certificate. Applicant proposes to operate several schedules when necessary, with one 1972 Volkswagen bus, and one 1972 Chevrolet van. Fares are to be \$5.20 each way. Applicant has no knowledge of the cost of insurance, terminals, or permits for such, and has made no studies as to prospective operations. He testified that he has little capital to invest in the business. The testimony of applicant discloses that he lacks knowledge of Sections 1031 through 1038 of the Public Utilities Code of California and the regulations of this Commission regarding the operation of passenger stage corporations within the State of California.

A financial examiner for the Commission examined the applicant's accounts, testified and made a written report marked Exhibit 1. Portions of the report are:

"Based upon the data obtained by the staff's investigation, it is concluded that:

- a - Applicant will primarily be competing with the Greyhound-Bus Lines.
- b - Both applicant's financial condition and projected results of operation were optimistically prepared.
- c - A conservative presentation of applicant's financial condition and projection of operating results reflects a precarious business venture.

"Subject to protests by the Greyhound Bus Lines, it is recommended that applicant's request be granted on a temporary basis. Such basis would provide an opportunity to determine whether or not the proposed services are economically feasible."

Applicant claims a net worth of \$32,000.

A vice-president of traffic for the protestant testified and identified eleven exhibits which were received in evidence.

Exhibit 2 describes the certificates of Greyhound, Exhibit 3 maps the routes, 4 and 5 - the schedules, Exhibit 6 - number of buses, Exhibits 7 and 8 are passenger studies, Exhibit 9 lists available empty seats, Exhibit 10 - the Spanish speaking employees, and Exhibits 11 and 12 describe advertising programs.

The witness described the many schedules of Greyhound to San Ysidro and its latest schedules starting from East Los Angeles and then to downtown Los Angeles and other non-stop schedules direct from Los Angeles.

The witness further testified that Greyhound operates 27 southbound schedules and 25 northbound on a daily basis between Los Angeles and San Diego which connect with over 75 schedules daily between San Diego and San Ysidro. Greyhound has spent millions of dollars building new terminal and shop facilities in Los Angeles, and maintains excellent facilities in East Los Angeles, San Diego, and San Ysidro. At San Ysidro equipment is stationed for immediate use, and both regular and extra board drivers are always available.

He testified that well over \$24,000 of Greyhound revenue over a three-day period received from Los Angeles-San Ysidro through passengers would be subject to diversion by applicant.

The witness testified this lucrative express traffic is the cream of the revenues and is needed to balance the uneconomic effects of some of the local service, which would have to be reduced or even eliminated in the absence of this express traffic.

The evidence shows that Greyhound has at least 94 employees who speak Spanish, either stationed at its Los Angeles, San Diego, and San Ysidro terminals, or employed as drivers between Los Angeles and San Ysidro. All announcements at these terminals are made automatically in both Spanish and English by a pre-programmed machine.

The witness testified that Greyhound's most recently inaugurated service originating in East Los Angeles has been advertised periodically in eight local newspapers. Spanish announcements are often given on the local radio stations and advertisements are placed in Spanish language newspapers.

Findings of Fact

The Commission finds that:

1. Applicant has not established that he has the experience, qualifications, or financial ability to institute and maintain the proposed service, or that there is any public need for such service.

2. Applicant has not submitted any studies of operations.
3. Applicant did not present any evidence to show that any public use would be made of his proposed service or that any public need exists for the proposed service.
4. Protestant, Greyhound, serving this route, is providing services in this territory which are satisfactory to the Commission and adequate for the public.

The Commission concludes that no additional passenger stage service is required at the present time in the territory requested by applicant and that the application should be denied.

O R D E R

IT IS ORDERED that the application is denied.

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

Dated at Los Angeles, California, this 27th
day of MARCH, 1973.

Vernon L. Sturgeon
President
William J. ...
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Commissioners