

S2674

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LOREN E. PEARSON,
(PEARSON CHARTER SERVICE), for a
Class "B" certificate to operate
as a charter party carrier of
passengers, Ukiah (File TCP-30B).

Application No. 54423
(Filed October 30, 1973)

Donald G. Hinkle, Attorney at Law, for
Loren E. Pearson, applicant.
Richard Hannon, Attorney at Law, for
Greyhound Lines, West; Keith L. Grimm,
for Western Charter Tours; Kenneth
Henricksen, for Poodle Bus Lines; and
Dwight Spurgeon, for B and H Transportation
Co.; protestants.
Lyndon Ray Brown, for himself, interested
party.

O P I N I O N

Loren E. Pearson has applied for a Class B charter-party carrier of passengers certificate to operate out of his home terminal in Ukiah, Mendocino County. Protests were filed and a public hearing was scheduled and held before Examiner Fraser in Ukiah on January 29, 1974. The matter was submitted after applicant and Greyhound Lines submitted evidence. The other appearances made brief statements for the record.

Applicant testified as follows: He is the owner and operator of a service station and truck stop in Ukiah. Three months ago he purchased a 46-passenger 1963 G.M.C. bus from Continental Trailways. The bus was to be converted into a motor home for his retirement, but soon after it was parked in his yard he started receiving inquiries about whether it could be chartered. He estimates 50 calls were made to ask about the bus. If he receives his

Class B certificate he will operate the bus in addition to continuing as a service station owner. He will drive the bus and there are two standby drivers who are on call if he becomes incapacitated. He has no idea what it will cost to operate the bus, although a friend who is an experienced bus operator has advised that driver cost alone will average 18 to 20 cents a mile. He was issued a commercial driver's license about three months ago and is planning to drive all of the charters in addition to performing routine maintenance at his service station. He will rely on advice from his friend who operates buses, but cannot estimate what he will have to charge for charters until he starts dispatching his bus and can tabulate his expenses. He is sure he will be able to charge less than other bus owners who are based out of town. A Junior High School counselor testified he is interested in applicant's proposed service. He stated that he organizes and leads ski trips for his students. School buses were used prior to this year at 32 cents a mile plus the driver's wage and lodging. He was notified in January, however, that due to the fuel shortage school buses were no longer available for charters. He stated he called the Greyhound Station and was advised it would be necessary to charge the full charter rate plus an increment to cover the expense of bringing the empty bus and driver from Santa Rosa to Ukiah. He stated Greyhound is the only charter operator in Ukiah. Other operators may have authority to serve Ukiah but do not advertise the fact. A Lions Club representative testified that a planned excursion to Reno in January 1974 had to be cancelled because they did not get sufficient people to fill a bus. A charter by Greyhound with less than a busload was considered too expensive by the members. He advised that the local Lions Club is supporting the applicant. He further advised that Ukiah Valley has a population of about 25,000 and should qualify for a local charter service. Applicant's third witness stated he is a ski enthusiast and the

current fuel shortage has prompted an interest in charters. Last November he organized a weekend charter to Donner Ski Ranch for 52 people. He contacted a Fort Bragg charter operator and was told it was booked solid on the weekends he preferred. He then tried Greyhound, but its rates were prohibitive. It would be cheaper to go by automobile. He advised that Greyhound was the only charter operator he knew of in Ukiah.

Greyhound Lines presented testimony and documentary evidence. Exhibit No. 2 was provided to show that 1,370 buses are licensed and available to provide service in California. A map was placed in evidence (Exhibit No. 3), which included a 40-mile radius of Ukiah to illustrate the area applicant might have to serve if a Class B certificate was granted. Exhibits Nos. 4, 5, and 6 were provided to include the listing for Greyhound Lines in all local phone books. Exhibit No. 7 is a colored brochure describing Greyhound's charter service. Exhibit No. 8 lists 20 charters as having originated out of Ukiah and Willits during 1973. The witness testified that Greyhound considers all charter service to be essential. The income from charters helps to lessen the loss from the scheduled service provided in sparsely settled areas of the State. He advised that Greyhound does not charge for deadhead mileage on charters over 300 miles and that the additional charge is a guarantee of excellent equipment and full-time, experienced, and trained drivers. The other protestants made statements for the record. It was noted that applicant has no idea what his costs will be or whether he will be able to charge less than Greyhound Lines. Protestants argued that more than one bus is needed for a serious charter operation unless a competitor is called in every time the bus breaks down or more than one charter is booked on the same weekend. A minimum of four charter operators is authorized to serve Ukiah and all will be listed under "charters" when the new edition of the phone book is published. Three of the

protestants have terminals in Petaluma, Santa Rosa, and Fort Bragg. All argued there was no showing that their service is unsatisfactory and no indication of public need for more service. Protestants argued that applicant has failed to show financial responsibility or any experience or recent connection with a charter operator. The three protestants with nearby terminals agreed that if more service is needed in Ukiah they should have the first opportunity to provide it. Applicant argued that he has owned a profitable business for many years and that nothing is owing on the purchase price of his bus. He advised that many local residents will not patronize a distant operator because of expense and that he can provide any service for far less fuel than any bus owner with an out-of-town terminal.

The application will be denied. The proposal to transport passengers for less than rates charged by a statewide carrier is not a basis for the grant of a Class B charter certificate, where applicant has no prior experience in charter operation, would use a single bus on a part-time basis, and has not shown the existing service to be unsatisfactory or inadequate. It would impose an unnecessary hardship on the entire industry to permit operators to start in each town and rural district on a mere guess that better and cheaper service will thus be provided for local customers. Applicant's contention that he would use less fuel on local charters than other operators who have no terminal in Ukiah, when weighed with other facts in this case, is not sufficient to show public convenience and necessity.

Findings and Conclusion

1. Applicant has applied for a Class B charter-party certificate.
2. Applicant has failed to show that public convenience and necessity require an additional certificated charter-party carrier in the area he has applied to serve.

3. There has been no showing that the existing charter-party carriers of passengers serving the territory are not providing service satisfactory to the Commission and adequate for the public.

We therefore conclude that the application should be denied.

O R D E R

IT IS ORDERED that Application No. 54423 is denied.

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

Dated at San Francisco, California, this 2nd day of APR 2, 1974.

Thomas L. Sturgeon
President
William J. Sugan
William J. Sugan
William J. Sugan
Commissioners