

Decision No. 83554

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHARLES P. KNOWLTON,
an individual dba SHASTA MARTINEZ
BUSSES, for a Class "B" certificate
to operate as a charter-party
carrier of passengers, Redding,
California. (TCP 32-B)

Application No. 54557
(Filed January 3, 1974)

David W. Packard, Attorney at Law, for applicant.
Richard M. Hannon, Attorney at Law, for Greyhound
Lines, Inc., West Division, protestant.

O P I N I O N

Applicant seeks a Class B certificate to operate as a charter-party carrier of passengers to operate within a radius of 15 miles from his terminal in Redding. A protest was filed by Greyhound Lines - West, and a public hearing was scheduled and held in Redding on March 26, 1974 before Examiner Fraser.

Applicant and Martinez Bus Lines, Inc. (Martinez) are partners in the ownership and operating of Shasta Martinez Bus Lines (Shasta) of Redding. Martinez Bus Lines, Inc. holds a Class A charter-party certificate in California and operates in the Bay Area. Knowlton states he has been operating under the authority held by Martinez, the owner of six school buses, which have been leased to applicant. Neither applicant, Shasta Martinez Bus Lines, nor Shasta Martinez Busses holds operating authority from this Commission.

The leased equipment includes six large school buses, rated to carry 66 children or 44 adults. An exhibit filed on April 30, 1974 reveals that applicant has purchased four 1973 and two 1974 Dodge B-300 vans as supplementary equipment. Applicant was a transportation officer in the army from 1958 to 1962. He has since worked for various bus operators as a driver, dispatcher, safety specialist, and manager. He has been employed in the Redding area by Shasta Martinez Bus Lines

since 1971. Applicant's recent experience consists of transporting school groups, the Redding Swim Club, Jobs Daughters, Junior Posse, Air Force Junior Cadets, and the YMCA to varied events as far away as the Bay Area. He has scheduled charters for conventions, women's clubs, and skiers. The latter are transported to the Shasta ski area on Sunday's during the winter. He operates with four part-time drivers who are paid on an hourly or trip basis while on charters. Applicant's past operations have been school oriented and payment has been furnished by the school district. The service is the same as provided by a charter carrier, except school children are transported, rather than adults. Applicant testified that his lot and mobile home are valued at \$34,600. His other assets are cash in the bank and an interest in the operating equipment, which Martinez Bus Lines, Inc. has agreed to sell for \$6,000 down, with the remainder in monthly installments. He advised that Shasta Martinez Bus Lines has postponed its discontinuance of Redding service until applicant can assume service.

Three public witnesses testified in support of the application. A school district superintendant testified that Shasta has been used for several years to transport athletic teams and other school groups under contract. The 67-passenger buses provided by applicant will each accommodate a complete charter and provide the most economical service. The manager of the Redding Chamber of Commerce testified as follows: Redding has a population of 21,000, with 34,000 additional people residing in the general area; tourism and lumber are the principal industries; 42 conventions were held locally in 1972, 60 in 1973, and 80 have registered for 1974. U.S. Highway 5 is located about a mile east of Redding. Most of Redding's new motels have been built in the vicinity of the freeway which is too far from downtown and the Convention Center to walk. Those who attend the conventions require transportation from their motels to downtown and the meeting halls; separate sight-seeing trips are arranged for other family members. Shasta has provided this service in the past at

reasonable cost. It has always assigned the necessary buses on very short notice. Greyhound has not been able to provide equivalent service. The latter requires notice several days before the trip is scheduled to bring vehicles up from the Bay Area. A motel manager testified the same as the prior witness. She has employed Shasta to transport charters to Mount Shasta, Shasta Caverns, and other local points of interest. Applicant has been providing a charter service for sight-seeing, shopping, skiing, and conventions. Sufficient equipment has always been available and advance notice has not been required. This service is important to the motels and they hope it will continue.

Protestant Greyhound provided testimony and six exhibits. Exhibit 1 is a copy of Greyhound's Class A charter-party certificate. Exhibit 2 is a map showing applicant's proposed pickup area. Exhibit 3 reveals Greyhound has 1,684 buses available to provide charter service in California. Exhibit 4 lists 56 charters that Greyhound provided for residents of the Redding area during 1973. Sixty-seven buses were used to provide the service at a revenue of \$21,248.78. Exhibit 5 is a brochure which details Greyhound charter service. Exhibit 6 is a copy of page 51 of the Redding phone book, which includes an advertisement of "Shasta-Martinez Buses." Greyhound's witness was its director of traffic. He testified that charters provide 10 percent of Greyhound's income, which must be protected, since charter revenue helps to support many unprofitable routes maintained by Greyhound. Greyhound is equipped and willing to provide either long or short charter service. He defined Shasta's operation as transportation performed for a school district, under contract.

Discussion:

Applicant is apparently operating under the Class A charter authority held by Martinez. This procedure is not authorized, but Knowlton has established a local need for the specialized service he provides for motels and conventions. Those who testified for applicant require the service of a local operator who always has vehicles available at lower rates than other charter carriers.

Findings

1. Applicant has been providing charter service in Redding and vicinity on short notice without requiring that reservations be made well in advance.
2. This service is required by local motels and the Redding Chamber of Commerce during the convention season.
3. It is not available from other bus operators in the area.
4. Applicant has been providing this service as the Redding representative of a Bay Area operator, and is responsible for the excellent service provided to date.
5. Greyhound serves the sought territory, but is not providing services which are adequate for the public, and, therefore, Greyhound's services are not satisfactory to the Commission.
6. Applicant has the ability, experience, equipment, and financial resources to perform the aforesaid service.
7. Public convenience and necessity require that the service proposed by applicant be established.
8. Applicant should be authorized to pick up passengers within a radius of 15 air miles from his home terminal at 3280 Veda Street, Redding, California.
9. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

The Commission concludes that the proposed authority should be issued as hereinafter provided.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity, to be renewed each year, is granted to Charles P. Knowlton, authorizing him to operate as a Class B charter-party carrier of passengers, as defined in Section 5383 of the Public Utilities Code, from a service area encompassing a radius of 15 air miles from applicant's home terminal at 3280 Veda Street, Redding, California.

2. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulation. Failure so to do may result in a cancellation of the operating authority granted by this decision.

Applicant will be required, among other things, to comply with and observe the safety rules administered by 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. 115-A.

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

Dated at San Francisco, California, this 27th
day of OCTOBER, 1974.

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