

Decision No. 85329**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOANNE D. SMITH,)
 dba SMITH'S CHARTER SERVICE, to) Application No. 55902
 increase its current rates for) (Filed August 26, 1975)
 commuter services between United)
 Airlines, Fairchild and Lockheed.)

O P I N I O N

Buford L. Smith, dba Smith's Charter Bus Service, has before this Commission a request to transfer to Joanne D. Smith, his Certificate of Public Convenience and Necessity to operate as a Passenger Stage Corporation (PSC-214) in Application No. 55617.

The application was submitted as a result of a dissolution of marriage granted to Mr. and Mrs. Buford L. Smith on March 17, 1975 by the Alameda County Superior Court and decreed by mutual consent that the transfer be made of all control and ownership of Smith's Charter Bus Service which includes a Charter-party Class "A" Certificate, TCP 90-A, to Joanne D. Smith.

Pending the issuance of a decision in Application No. 55617, Joanne D. Smith, dba Smith's Charter Bus Service, requested authority to increase the home-to-work passenger bus fares.

The applicant presently provides bus service on four routes to the United Airlines Maintenance Base and on a route to the Lockheed Missile and Space Company in Sunnyvale for the day shift employees.

By this application filed August 26, 1975, Smith's Charter Bus Service seeks authority to increase fares from the present authorized amounts to \$25.00 per passenger for a two-week period (bi-weekly) between the United Airlines and Lockheed Facilities, on the one hand, and the Cities of Fremont, Newark, Hayward, San Lorenzo, Sunnyvale, San Jose, Milpitas, Cupertino, and Santa Clara, on the other hand.

The attachment to the application shows an estimated total annual revenue in the home-to-work commute operation and a total estimated annual expense which results in a net loss of \$33,040 for the year ending December 31, 1975 if the commute passenger service is continued at the present level of fares.

The amendment to Application 55902 dated November 14, 1975 submitted by Smith's Charter Bus Service adjusts its request to \$10.00 per passenger per week instead of \$25.00 per passenger for a two-week period.

The fare requested in the amendment is comparable to the amount presently charged by other carriers operating from Santa Clara County to the United Airlines Maintenance Base at the San Francisco International Airport, and the increase in revenue is estimated by the staff as \$27,100.

The Transportation Division's staff study of the carrier's estimated results of operation for the year ending June 30, 1976 is as follows:

RESULTS OF OPERATION AT PROPOSED FARE
OF \$10.00 PER PASSENGER PER WEEK

<u>Common Carrier Operation</u>	
<u>Statistics</u>	
Bus Miles	102,000
Number of Passengers	44,100
Passenger Revenue	\$ 86,100
<u>Expenses</u>	
Equipment Maintenance	14,800
Transportation	23,270
Traffic	870
Insurance and Safety	8,300
Administration and General	7,080
Depreciation	9,580
Oper. Taxes and Licenses	7,140
Operating Rents	1,650
Total Expenses	\$ 72,690
Operating Income	\$ 13,410
Income Taxes (Estimated @ 0.48)	6,437
Net Income	6,973
Operating Ratio	91.9%

In Decision No. 83451 in Application No. 54439 the Commission found that an operating ratio of 90.9 percent (after taxes) fell in the zone of reasonableness for a carrier of comparable size to that of applicant.

After Consideration the Commission finds that the proposed \$10.00 weekly fare is justified. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

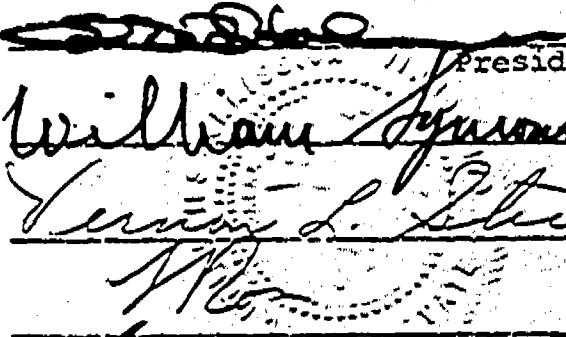
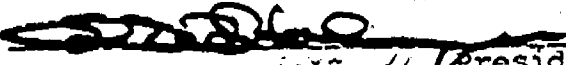
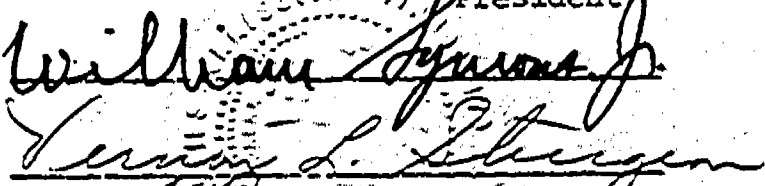
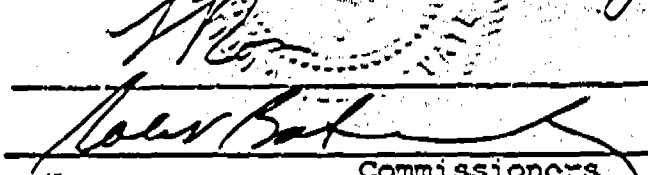
1. Buford L. Smith (or Joanne D. Smith), doing business as Smith's Charter Bus Service, is authorized to establish the increased fares proposed in the amendment to Application No. 55902, Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within ninety days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

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

Dated at San Francisco, California, this 6th day of JANUARY, 1976.


 President

 Commissioners