

Decision 90 05 057 MAY 22 1990**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of 32nd STREET PIER)	
GROUP dba WEST WIND EXPRESS)	
INCORPORATED for authority to)	Application 89-06-038
adjust its rates and to)	(Filed June 22, 1989)
reincorporate.)	(amended October 10, 1989)

O P I N I O N

32nd Street Pier Group, Inc., doing business as West Wind Express, (Applicant) requests to increase its fare pursuant to Public Utilities (PU) Code § 454 and to transfer its authority to Military Bus Express, Inc., (Military Bus) in accordance to PU Code § 851 et seq.

Applicant is a passenger stage corporation (PSC-1398) engaged in the transportation of persons and their baggage on an "on-call" basis between certain military bases in San Diego County, on one hand, and the cities of San Diego, Coronado, and National City and San Diego International Airport (SAN), on the other hand.

Applicant was authorized to acquire control of the passenger stage certificate by Decision (D.) 89-01-010, dated January 11, 1989 in Application (A.) 88-08-039 from Spencer J. Bieler, the sole shareholder of the corporation.

The present fares were established by D. 87-03-084, dated March 25, 1987, in A. 86-10-080.

Applicant requests that the present fare between Camp Pendleton Marine Corps Base and SAN of \$10 be increased to \$12. Fares to other points shall remain at its present rates.

Using the data provided by applicant, the following table sets forth the estimated results of operations under present and proposed passenger fare for the test year ending July 31, 1990.

TABLE 1
Test Period Ending July 31, 1990

	Historical Year ending July 31, 1989	Test Year ending July 31, 1990	
	<u>Present Fare</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Operating Revenue	\$110,593	\$110,593	\$145,411
Operating Expenses	\$122,723	\$140,714	\$140,714
Operating Income(Loss)			
Income Before Tax	(\$12,130)	(\$30,121)	\$4,697
Income after Tax	0	0	\$3,992
Operating Ratio After Income Taxes	110.97%	127.24%	97.16%

Applicant alleges that the costs of fuel, equipment, repairs and maintenance, salaries, wages of drivers and mechanics necessitate an increase in the fare. Among the military installations served by the applicant, Camp Pendleton is the farthest point. It is approximately 20 miles from Miramar Naval Air Station, the next farthest point from applicant's route. The fare to Miramar is \$9.

As indicated by Table 1, applicant's operations in the historical year ending July 31, 1989 under the present fares resulted in a loss of \$12,130 with an operating ratio of 110.97% after income taxes. Income for the test year ending July 1990 under present fares will result in a loss of \$30,121 with an operating ratio of 127.24%. The proposed fares will result in an annual gross revenue of \$145,411 and an annual gross revenue increase of \$34,818 with an operating ratio of 97.16% after income taxes.

Applicant also requests to transfer its authority from 32nd Street to Military Bus. Applicant allegedly filed a copy of the articles of incorporation with the Secretary of State on May 4, 1989. 32nd Street and Military Bus have the same shareholders.

Notice of filing of this application appeared on the Commission's Daily Calendar of June 27, 1989 as amended on October 10, 1989. No protests or requests for public hearing have been received. In the opinion of the staff, the proposed fares are justified and the transfer of the authority should be granted.

Findings of Fact

1. Applicant seeks authority to increase the fare from SAN to Camp Pendleton by approximately 20% to offset increased operating costs.

2. Applicant's present fare were authorized by D.87-03-084, dated March 25, 1987.

3. Applicant's operations in the test year ending July 31, 1990, under present fare would result in a loss of \$30,121 with an operating ratio of 127.24%.

4. The proposed fares will result in an annual gross revenue of \$145,411 and an annual gross revenue increase of \$34,818 with an operating ratio of 97.16% after income taxes.

5. The requested fare increase is necessary and justified.

6. 32nd Street and Military Bus are owned by the same shareholders.

7. 32nd Street wants to be known as Military Bus Express, Inc.

8. The proposed transfer is not adverse to the public interest.

9. No protests have been received.

10. Applicant is operating at a loss.

Conclusions of law

1. The passenger fares requested are just and reasonable.
2. The proposed transfer should be authorized.
3. The application, as amended, should be granted.
4. A public hearing is not necessary.
4. Since applicant is operating at a loss this order should be effective on the date it is signed.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at anytime.

O R D E R

IT IS ORDERED that:

1. 32nd Street Pier Group, Inc., (32nd Street) is authorized to establish the increased passenger fare proposed in A.89-06-038. Tariffs may be filed on or after the effective date of this order. They may become effective five days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

2. Ordering Paragraph 1 shall expire unless exercised within 90 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 his operating vehicles a printed explanation of the fare. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

4. On or before June 30, 1990, 32nd Street may sell and transfer the operative rights and assets specified in the application to Military Bus Express, Inc., (Military Bus).

5. Military Bus shall:

- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
- b. Amend or reissue 32nd Street's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
- c. Comply with General Orders Series 101, 104, and 158, and the California Highway Patrol safety rules.

- d. Maintain accounting records in conformity with the Uniform System of Accounts.
- e. Remit to the Commission the Transportation Reimbursement Fee required by PU Code Section 403 when notified by mail.

6. If the transfer is completed, on the effective date of the tariff and timetable of ordering paragraph 5b, a certificate of public convenience and necessity is granted to Military Express, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in Appendix PSC-6120, to transport persons and baggage.

7. The certificate of public convenience and necessity granted by D.89-01-010 is revoked on the effective date of the tariff and timetable of ordering paragraph 5b.

8. Prior to initiating service to any airport, Military Bus shall notify the airport authority involved. This certificate does not authorize the holder to conduct any operations on the property of or into any airport unless such operation is authorized by the airport authority involved.

9. Military Bus is authorized to begin operations on the date that the Executive Director mails a notice to Military Bus that it has evidence of insurance on file with the Commission and that the California Highway Patrol has approved the use of Military Bus's vehicles for service.

10. The application is granted as set forth above.

This order is effective today.

Dated MAY 22 1990, at San Francisco, California.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SCHULMAN, Executive Director

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-6120

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

Supersedes authority heretofore granted to
32nd Street Pier Group, Inc.
by D.89-01-010

Issued under authority of Decision 90 05 057, dated MAY 22 1990, of
the Public Utilities Commission of the State of California in
Application 89-06-038.

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

This certificate supersedes all operative authority granted to 32nd Street Pier Group, Inc.

Military Bus Express, Inc., by the certificate of public convenience and necessity granted by decision noted in the margin, is authorized to transport passengers and their baggage between San Diego, Coronado, and National City, on one hand, and certain military bases in San Diego County, on the other hand, over and along the routes described, subject, however, to the authority of this Commission to change or modify the routes at any time and subject to the following provisions:

- a. When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- b. The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- d. This certificate does not authorize the holder to conduct any operation on the property of or into any airport unless such operation is authorized by the airport authority involved.

Issued by California Public Utilities Commission.

Decision 90 05 057, Application 89-06-038.

SECTION II. ROUTE DESCRIPTIONS.

Route 1. San Diego - Coronado

From the Armed Forces YMCA in San Diego, east on Broadway to 16th Street, south on 16th Street to "E" Street, east on "E" Street to I-5, south on I-5 and State Route 75 to Coronado, west on 3rd Street in Coronado, south on Alameda Street to North Island Naval Air Station east on 4th Street, south on Orange Avenue (Silver Strand) to Naval Amphibious Base.

RETURN: North on Silver Strand (State Route 75), east on 4th Street, north on State Route 75, north on I-5, west on "B" Street (San Diego), south on 10th Avenue, west on Broadway to Columbia Street (Armed Forces YMCA).

Route 2. San Diego - National City

From Gate 9, 32nd Street Naval Station (San Diego), east on 8th Street, south on Highland Avenue (National City), west on 18th Street, north on National City Boulevard, west on 8th Street to Gate 9, 32nd Street Naval Station (San Diego).

Route 3. San Diego

From 32nd Street Naval Station (San Diego), west on Harbor Drive to Armed Services USO, north on 5th Avenue, west on Broadway (YMCA), north on Pacific, west on Barnett (to Marine Corps Recruit Depot), west on Lytton to Gate 1, Naval Training Center.

RETURN: From Gate 1, Naval Training Center, east on Lytton Street to Marine Corps Recruit Depot, east on Barnett, south on Pacific, east on Broadway to Armed Forces YMCA, south on 6th Street, west on Market Street, south on 5th Street to Armed Services USO, east on Harbor Drive to 32nd Street Naval Station.

Issued by California Public Utilities Commission.

Decision 90 05 057, Application 89-06-038.

SECTION II. ROUTE DESCRIPTIONS. (Continued)

Route 4. San Diego International Airport

Commencing from San Diego International Airport via the most convenient streets and highways to Anti-Submarine Warfare Base, Ballast Point Submarine Piers, Naval Training Center, Marine Corps Recruit Depot, North Island Naval Air Station, Naval Amphibious Base, Coronado, 32nd Street Naval Station, Miramar Naval Air Station, Camp Pendleton Marine Corps Base, and return to San Diego International Airport.