

Decision 90 07 011 JUL 6 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Puma Bus Lines, for authority to)
provide a scheduled passenger stage)
service between points in Los)
Angeles County and Alameda County,)
and between points in Los Angeles)
County and San Diego County.)

Application 90-03-001
(Filed March 2, 1990)

O P I N I O N

Phillip C. Lynch, doing business as Puma Bus Lines (applicant), with headquarters in Los Angeles, seeks authority under Public Utilities Code §§ 1031 et seq. to provide scheduled passenger stage service between certain points in Los Angeles County, Alameda County, and San Diego County.

Notice of filing of the application appeared in the Commission's Daily Calendar on March 8, 1990. Full copies of the application were forwarded by applicant to each public transit operator within whose boundaries passengers will load or unload. Notice of the application was also mailed by applicant to the County of Los Angeles, the City of Oakland, and the City of San Diego.

The Commission has received no protests or requests for hearing of the application. The Transportation Division recommends the application be granted by ex parte order.

Applicant proposes initially to operate two 90-passenger buses, each making one round trip daily between Los Angeles and Oakland. No specific schedules, destination points, or routes are shown in the application. The one-way fare between Los Angeles and Oakland would be \$15.00. Applicant also proposes a one-way fare between Los Angeles and San Diego of \$9.00, but does not include

revenues from that service in the cost-of-service study filed with the application.

By comparison, competing one way fares between Los Angeles and Oakland are \$71.00 via Amtrak (railroad) and \$42.95 via Greyhound/Trailways (passenger stage). Competing one way fares between Los Angeles and San Diego are \$23.00 via Amtrak and \$14.95 via Greyhound/Trailways.

A balance sheet dated January 31, 1990, attached to the application, shows cash of \$50,000, securities to be used for the business of \$50,000, and office equipment of \$2,000, for a total net worth of \$102,000. No liabilities are listed.

Applicant proposes to provide service using two 1990 Crown buses, to be garaged and maintained at a Los Angeles facility to be determined.

Applicant projects annual revenues from the Los Angeles-Oakland service to be \$1,105,000, based on service 365 days per year and an average occupancy of 50 passengers, or 56% of capacity. Total expenses are estimated to be \$754,471, yielding a before-tax operating ratio of 68.3%. However, this projection of profitability may be optimistic because: (1) the buses may not be available 365 days per year, (2) revenues will be reduced by 10% discounts offered to children and senior citizens, (3) tires, repairs and maintenance expenses, estimated to be about 10 cents/mile, seem low compared to other carriers, (4) applicant's liability insurance estimate of \$1,000 per month per bus may be low, and (5) no depreciation expense is included. Applicant shows interest expense, as if the buses would be purchased, which indicates that some depreciation expense should be included.

Despite these questions, applicant's estimates of revenues and expenses show ample opportunity to earn a profit and to compete effectively in the chosen transportation market.

Findings of Fact

1. Applicant has the financial resources to perform the proposed service.
2. The Commission has considered the effect of applicant's proposed service on the operations of the public transit operators serving the territory applicant requests authority to serve.
3. It can be seen with certainty that there is no possibility that the proposed service will have a significant adverse impact on the environment.
4. No protests to the application have been filed.
5. A public hearing is not necessary.

Conclusion of Law

Public convenience and necessity have been shown, and applicant should be granted a certificate.

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

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Phillip C. Lynch, authorizing him to operate as a passenger stage corporation, as defined in Public Utilities Code § 226, between the points and over the routes set forth in the attached Appendix PSC-6383, to transport passengers and their baggage.
2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.

- c. State in his tariffs and timetables when service will start; allow at least 10 days' notice to the Commission before starting service; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 101, 104 and 158, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Public Utilities Code § 403 when notified by mail to do so.

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

4. The application is granted as set forth above.

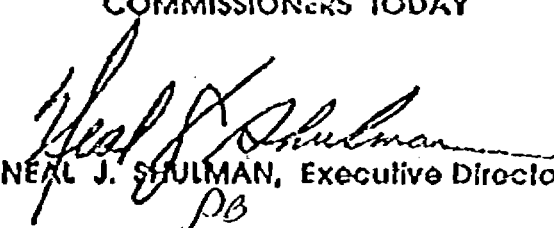
This order becomes effective 30 days from today.

Dated JUL 6 1990, at San Francisco, California.

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

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

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NEAL J. SHULMAN, Executive Director
PB

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-6383

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.

Issued under authority of Decision 90 07 011,
dated JUL 6 1990, of the Public Utilities Commission of
the State of California in Application 90-03-001.

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Issued by California Public Utilities Commission.

Decision 90 07 011, Application 90-03-001.

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

Philip C. Lynch, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers and their baggage on a regularly scheduled service, between the Cities of Oakland and Los Angeles, and between the Cities of Los Angeles and San Diego, over and along the routes described in Section III, subject, however, to the authority of this Commission to change or modify the route 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 tariffs and timetables shall show the conditions under which the authorized scheduled service will be provided, and shall specify the exact locations of the scheduled stops.
- 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.

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SECTION II. SERVICE AREAS.

The Cities of Oakland, Los Angeles, and San Diego.

SECTION III. ROUTE DESCRIPTION.

Route 1 - Oakland-Los Angeles

Commencing from the City of Oakland, then over the most appropriate streets and highways into the City of Los Angeles.

Route 2 - Los Angeles-San Diego

Commencing from the City of Los Angeles, then over the most appropriate streets and highways into the City of San Diego.

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