

Decision 82 02 100 FEB 17 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
John W. Ensign and Clifton A. Hodge,)
partners doing business as Conejo)
Coach for authority to operate as a)
Class "B" charter-party carrier of)
passengers, Los Angeles County.)

Application 60811
(Filed August 14, 1981)

John W. Ensign and Clifton A. Hodge,
for themselves, applicants.
R. D. Rierson, Attorney at Law (Illinois),
for Greyhound Lines, Inc., protestant.

O P I N I O N

Applicants seek a certificate of public convenience and necessity to operate as a charter-party carrier of passengers from a terminal in Westlake Village, Los Angeles County, California. They presently provide a home-to-work passenger stage service from the vicinity of Thousand Oaks to downtown Los Angeles, five days a week, under authority of a passenger stage certificate (Decision 93329) issued on July 22, 1981. This service is provided with a single 1963 39-passenger bus, which is owned by applicants. A protest was filed by Greyhound Lines, Inc. (Greyhound) and a public hearing was held on October 28, 1981 in Los Angeles before Administrative Law Judge Edward G. Fraser. Both parties presented evidence and the matter was submitted on the date of hearing.

Applicants are members of the Los Angeles Police Department. They will transport charters on weekends only, until they retire. After retirement they plan to purchase a second bus and will be available the entire week.

A.60811 ALJ/ks *

John W. Ensign testified that applicants have been asked by members of the Los Angeles Police and Fire Departments if they are authorized to haul charters. Other municipal employee organizations have also inquired. Ensign stated that he has worked for Gray Line as a parttime driver and tour supervisor for 18 months. During this period he has performed as a substitute on many runs and has handled all types of intercity and interurban buses. He has talked to travel agents and been advised that there is a need for the small operator. The agents can hire a single bus on short notice for airport pickup and delivery, special tours from hotels, and other specialized charters. He called Greyhound to ask about charters out of Thousand Oaks and was informed that it would cost \$99 to get the bus to the point of pickup before the charter fee could be computed. A statement of financial condition indicates that one applicant has a net worth of \$80,300 and the other \$135,300. A financial statement on applicants' home-to-work operation shows revenue of \$78,300 and operating expense of \$47,900. Several bank references are listed in the application along with applicants' insurance agent. ✓

Greyhound filed a protest on August 14, 1981, which states that protestant has 1,976 buses licensed to operate in California and that the area applicants seek to serve is already adequately covered by protestant and other charter-party carriers. The protest requests that the application be denied unless applicants agree that only one bus will be used in their operation. Applicants refused to agree to the use of only one bus in their proposed service.

A district manager testified for Greyhound and placed a set of exhibits in evidence. Included was a copy of Greyhound's Class A certificate to operate as a charter-party carrier of passengers; a map showing what is included within 40 air miles of applicants' terminal; a copy of Greyhound's authority which covers all scheduled service provided in and out of the greater Los Angeles area; Greyhound's timetables showing all routes and schedules on regular bus service; an exhibit to illustrate the number, type, and purchase price of all available Greyhound buses; a map showing where extra

drivers are stationed and another showing garages and maintenance stations; a color photograph of a late model bus; a list of Greyhound's agents in the area; a brochure used by Greyhound to advertise and describe charter service; and an exhibit listing the charters Greyhound transported out of the area applicants seek to serve, within a specified period.

Total cost of operating in the Thousand Oaks area was identified by Greyhound as \$1.87 per mile and revenue as \$1.70 per mile. The witness estimated that charter revenue for this year in the area is at least \$772,000 less than last year. The loss for the entire greater Los Angeles area was quoted as \$860,000. Greyhound believes this loss is attributed primarily, if not exclusively, to increased competition in the area. Greyhound states it needs protected charter revenue to counter losses suffered on regularly scheduled service.

Discussion

There is a public need for applicants' proposed service. Applicants have established that Greyhound's deadhead fee of \$99 for driving the bus from the nearest bus storage to Thousand Oaks may discourage those who reside in the area. Applicants are based nearby and will charge no extra fee for moving the bus from where it is stored.

Los Angeles City employees, especially those who are acquainted with applicants, are likely to prefer their service to Greyhound's, as being more personal and less expensive.

Greyhound has the capacity to handle all charters out of the area and would welcome the business, but it cannot provide the low-cost personal service proposed by applicants. Greyhound's service is therefore not satisfactory to the Commission.

Findings of Fact

1. There is a substantial public need for the charter-party service proposed by applicants.

2. Applicants have the ability, experience, equipment, and financial resources to perform the proposed service.

3. Public convenience and necessity require the service proposed by applicants.

4. Greyhound transports charter groups from, to, and through the entire area applicants seek to serve.

5. Applicants can provide a less expensive and more personal service than Greyhound; Greyhound's service is therefore not satisfactory to the Commission.

6. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. Public convenience and necessity have been demonstrated and a certificate should be granted, and since there is a need for the proposed service the following order should be effective today.

2. Applicants should be authorized to pick up passengers within a radius of 40 air miles from their home terminal.

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 John W. Ensign and Clifton A. Hodge, authorizing them to operate as a Class B charter-party carrier of passengers, as defined in PU Code § 5383, from a service area with a radius of 40 air miles from applicants' home terminal at 32133 Sailview Lane, Westlake Village, Los Angeles County, California 91361.

2. The Passenger Operations Branch will issue the annual renewable certificate on Form PE-695 as authorized by Resolution PE-303 when it receives California Highway Patrol clearances and evidence of liability protection in compliance with General Order Series 115.

3. In providing service under the certificate, applicants shall comply with General Orders Series 98 and 115, and the California Highway Patrol safety rules.

This order is effective today.

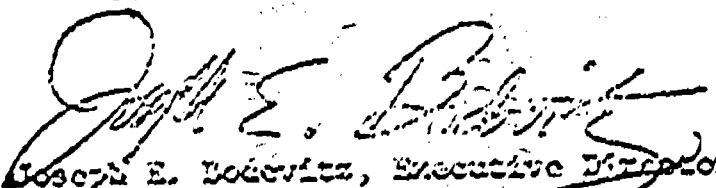
Dated FEB 17 1982, at San Francisco, California.

RICHARD D. CRAVELL
LEONARD M. GEMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

Commissioner JOHN E. BRYSON

Present but not participating.

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


Joseph E. Bodovitz, Executive Director