

ORIGINAL

Decision No. 92266 SEP 16 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)	
of FAST DEER BUS CHARTER INCORPO-)	
RATION, for a Class "B" certificate)	Application No. 59410
to operate as a charter-party)	(Filed January 30, 1980)
carrier of passengers, Los Angeles)	
(File No. B-17).)	
)	

Stephen K. Nozaki, Attorney at Law,
for applicant.
Robert D. Rierson, Attorney at Law
(Illinois), for Greyhound Lines,
Inc., protestant.

O P I N I O N

Applicant, Fast Deer Bus Charter Incorporation (Fast Deer), requests authority to operate as a Class "B" charter-party carrier of passengers from its headquarters in Los Angeles, California. Applicant proposes to provide such service with two vans with a seating capacity of 12 and 15 passengers, respectively. In addition, applicant intends to purchase a 28-passenger Revcon minibus prior to commencement of operations if the authority sought is granted. Its bank is the Cathay Bank (Chinatown Branch) in Los Angeles and its insurance carrier is State Farm Insurance Company. Protesting the application were Embree Buses, Inc., Town Tour Funbus Company, Inc., and Greyhound Lines, Inc. (Greyhound), holder of a Class "A" charter-party certificate which conducts extensive charter operations from the area encompassed by this application.

Following notice, a public hearing was held in Los Angeles on June 16, 1980 before Administrative Law Judge William A. Turkish pursuant to Section 5375.1 of the Public Utilities Code, and the matter was submitted on that date. Greyhound was the only protestant appearing.

Job H. Yang, president of Fast Deer, Siman Yu, an employee of America Holiday, a travel agency, and Daniel Shen, sales manager of Lion Tours, a travel agency, testified on behalf of applicant. Bernardo Flores, assistant director of traffic, testified on behalf of Greyhound, protestant herein.

According to the testimony of Job Yang, Fast Deer intends to conduct charter bus operations primarily for tour groups from abroad but will also accept charter business from local groups as well. Because applicant's employees also speak Chinese, it believes it can deal best with Chinese-speaking tour groups from the Far East. The witness has four years experience as a travel agency tour guide. In addition he made arrangements for hotel and bus accommodations for tour groups. He believes this experience qualifies him to operate a charter bus operation. He has six other partners in this venture, one of whom has been in the charter business in Singapore for 20 years and who will be acting as supervisor of operations. Three of the remaining five partners have been tour guides in the Los Angeles area. He testified that applicant will differ from other bus tour charter companies in the area in that applicant will have Chinese-speaking drivers who will also be used as tour guides if the tour group desires a guide. In the past when he acted as a tour guide, he was the link between the driver and the passengers because the drivers did not speak Chinese.

The witness admitted he did not know whether Greyhound or other bus companies in the Los Angeles area provide a Chinese-speaking escort when they charter their buses to Chinese-speaking groups because he never checked. He also stated that while some Chinese-speaking groups have among them a tour leader who can speak a little English, they usually ask for a local tour guide who can speak both English and Chinese. He related that when he began as a tour guide and arrived in this country with a group, he could hardly speak English. He felt that if he had had a Chinese-speaking driver who knew the area well, he could speak to the driver in Chinese and thus avoid any misunderstandings because of language barriers. According to his testimony, one of the advantages of providing a driver who speaks Chinese is that it would reduce costs in using only the single-driver guide instead of a driver and a guide.

Witness Yu testified that the main office of his travel agency was in Hong Kong and that his Los Angeles office was a branch office. He stated that almost 90 percent of his tour groups originate from Hong Kong and that he does all the bookings for hotel and transportation accommodations in the United States for such groups. He testified that the company charges a particular price per person for a package tour and that out of this price the company budgets the costs for hotel accommodations, bus transportation, and meals. Whatever is left over is profit to the company. Thus, in the matter of selecting a bus, the witness stated that the prime consideration would be cost, facilities, and service. He corroborated the testimony of applicant's president that although a tour leader may speak a little English, the main problem is their unfamiliarity with the local area and as a result, his company would still have to provide a local guide who was familiar with the area

and who would give directions to the bus driver and point out and discuss all points of interest to the group. He testified that the several bus companies his agency used were not able to provide any Chinese-speaking drivers or guides. He also pointed out that the main advantage of having the opportunity to hire a bus charter company that could provide a bilingual driver would be the cost because his agency could save money by not having to provide and pay for an additional guide. He said that in May 1980 he had to make arrangements for a tour group going to Houston and contacted Greyhound who informed him they would only provide him with an English-speaking guide. He also indicated that if applicant was available for charter and the cost cheaper for the same service he received from other bus companies, he would be willing to use applicant. In response to a question from protestant he stated that he had never requested a bus from Greyhound in the Los Angeles area because the costs were too high.

Daniel Shen, testifying on behalf of applicant, stated that 90 percent of his travel business comes from Taiwan. The average tour group size handled by his company was 25 to 30 although it might go as high as 48 and as low as 15-16 people at times. Shen also stated that 99 percent of the travelers were unable to speak any English and for that reason depended a great deal on a local Chinese-speaking guide. Although his company has used Greyhound charters for trips to cities outside of the Los Angeles area, he has not used Greyhound in the Los Angeles area because their rates are higher than the other local bus companies. He indicated that he had checked with Greyhound's tour center and was told that they could not provide a Chinese-speaking driver. For that matter, he also stated that the bus companies he uses had likewise been unable to provide him with a Chinese-speaking driver. He was of the opinion that more competition in the charter

bus area would bring the costs down and that a Chinese-speaking driver could communicate better with tour leaders in situations where the overseas travel agency did not want a separate local Chinese-speaking guide to be provided by his company.

Bernardo Flores, testifying on behalf of Greyhound, explained and sponsored Exhibits 1 through 12. These exhibits show: Greyhound's authorized routes running throughout applicant's proposed origination area; Greyhound's charter service brochure; photographs of its buses; a list of Greyhound's sales outlets located within applicant's proposed origination area; several timetable schedules to various cities within and outside of the Los Angeles area; a list of charters handled by Greyhound during a recent three-month period; an equipment list; Appendix A to Commission Decision No. 55893; and maps of the United States showing various Greyhound terminals, service facilities, locations of extra drivers, etc.

Flores testified as to Greyhound's large marketing department and stated that if a group wanted a Chinese-speaking escort, Greyhound could provide one. However, he also stated that while Greyhound had public address systems in its buses, the company does not allow its drivers to act as tour escorts pointing out points of interest or having conversation with passengers, while driving, for safety reasons.

He stated Greyhound recommends to tour groups that they provide a separate guide or escort for the tour. He described the conveniences of many Greyhound buses, such as tinted glass windows, reclining seats, air conditioning, and rest rooms and stated that Greyhound would be able to handle any demand in the Los Angeles area. He also testified that Greyhound provided a charter bus in February 1980 to a Chinese group traveling between Los Angeles and San Francisco and two charters to Chinese groups in March 1980. The last two

charters mentioned were challenged by applicant as not being Chinese groups. He testified that Greyhound normally protests all applications for charter certificates wherein buses larger than 15-passenger capacity are contemplated because they would tend to duplicate the services provided by it and pose a competitive threat to Greyhound.

Applicant has assets valued at \$67,000 and liabilities of \$10,000 as of the date of application.

Discussion

The issuance of Class "B" charter-party carrier of passenger certificates is governed by Sections 5374, 5375, and 5375.1 of the Public Utilities Code. Among those considerations the Commission weighs when it determines whether to grant a certificate or not is a showing by applicant that it is reasonably fit and financially responsible to initiate and conduct the proposed service. In addition, applicant must show that public convenience and necessity require the proposed service and that existing carriers serving the same territory are not providing services which are satisfactory to the Commission.

We have little difficulty resolving the requirement of fitness and financial responsibility. No challenge to applicant's fitness or financial ability to operate a charter bus operation was presented. Although none of applicant's corporate officers or directors who will be dealing in the day-to-day operations have any charter bus experience in this country other than in the capacity as tour guides, one of the officers has extensive bus operation experience in the Far East. With respect to applicant's modest initial entry into the charter bus business in Los Angeles, it appears to be able financially to undertake the endeavor.

In the past the satisfactory service test of existing carriers has been based on relatively few factors. We considered the adequacy of the service, adequacy of the equipment, and reasonableness of rates. In D.90154, issued April 10, 1979, we indicated other significant underlying factors which had previously received insufficient attention in these matters. In that decision, for example, we closely examined the question of whether monopoly service is of itself unsatisfactory service to the public. In other charter-party applications, we considered the requirements of members of an ethnic community in having a need for an operator completely oriented to the needs, values, and language of the community and granted a certificate based on this factor^{1/} and granted certificates where we found services offered by applicant which differed somewhat from those offered by the existing carriers.^{2/}

In this proceeding we have a service being offered primarily to meet the needs of an ethnic community group which arrives in this country on tour from Hong Kong and Taiwan and in which little or no English is spoken. Although Fast Deer will be primarily oriented to foreign Chinese tour groups, it will accept charter work from the local Chinese-speaking community or any other groups. The use of a Chinese-speaking driver by applicant will permit it to offer lower fares to Chinese-speaking groups than if it had to furnish both a driver and a Chinese-speaking tour guide. In addition, the use of a bilingual driver will facilitate communication with members of the charter group.

1/ D.90517, A.58360 issued July 3, 1979.

2/ D.90943, A.58772 issued October 23, 1979.

Although the record reflects an ability on the part of Greyhound to furnish Chinese-speaking tour guides upon request, it is clear that it does not provide bilingual drivers; nor does it permit any conversation between drivers and passengers during travel. Fast Deer, on the other hand, will be able to furnish Chinese/English-speaking drivers who can act both as driver and guide. This can be a benefit to Chinese-speaking tour groups since the added expense of a separate guide can be eliminated. Furthermore, the granting of a certificate to an operator completely oriented to the distinct needs, values, and language of the Chinese-speaking community reflects a sensitivity to such needs. ✓

Applicant's certificate should be limited to the operation of a maximum of three buses, which includes the addition of a 28-passenger minibus to its present two vans, until further order of the Commission. This will enable it to conduct the operations proposed but will ensure that any successor will not expand the operations more than are now contemplated.

Findings of Fact

1. Fast Deer has the experience, ability, fitness, and financial ability to initiate and conduct the proposed service.
2. The customers Fast Deer seeks to serve require the service of a carrier culturally oriented to the Chinese-speaking community of the Los Angeles area and the Chinese-speaking tour groups from the Far East.
3. Fast Deer's proposed operations are oriented toward the Chinese-speaking community and are in the public interest.
4. The existing certificated charter-party carriers in the Los Angeles area are not providing specialized bilingually conducted service satisfactory to the Commission.

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

6. Public convenience and necessity require that the service proposed by applicant be established as authorized in the following order, which should be effective the date of signature because there is an immediate need for applicant's service.

Conclusion of Law

The Commission concludes that the requested authority should be issued as provided in the following order.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity 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 40 air miles from applicant's home terminal at 815 West Sunset Boulevard, Los Angeles, California 90012, is authorized to be issued to applicant, Fast Deer Bus Charter Incorporation.

2. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe, among other things, the safety rules administered by the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-Series, and the insurance requirements of the Commission's General Order No. 115-Series. Failure to do so may result in the cancellation of the operating authority granted by this decision.


3. When the required California Highway Patrol clearances are received by the Commission's Passenger Operations Branch

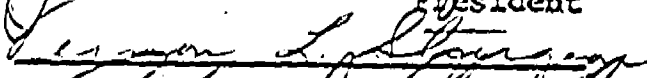
and the evidences of adequate protection against liability imposed by law are filed in compliance with General Order No. 115-Series, the annual renewable certificate on Form PE-695 will be issued by the Passenger Operations Branch under the authorization of Resolution PE-303, approved July 29, 1975.


4. Applicant shall operate a maximum of three buses, which includes its fifteen-passenger and twelve-passenger vans and a twenty-eight-passenger minibus it contemplates purchasing, until further order of the Commission.

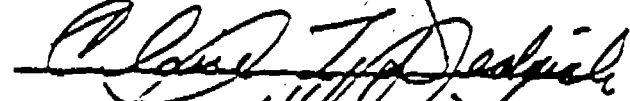
The effective date of this order is the date hereof.


Dated SEP 16 1980, at San Francisco, California.



President








Commissioners