

ORIGINAL

Decision 93604 OCT 6 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Larry Albert Moore, dba A)
"Superior" Bus Line for a)
certificate of public convenience)
and necessity to operate Passenger)
and Baggage service between Los)
Angeles-Orange County to Mammoth,)
Los Angeles-Orange County to San)
Francisco, Los Angeles-Orange)
County to Palm Springs, Los)
Angeles-Orange County to Earp,)
Los Angeles-Orange County to)
Crossroads, Los Angeles-Orange)
County to Red Meadows Pack)
Station, Los Angeles-Orange)
County to Frontier Pack Station,)
Los Angeles-Orange County to)
Agnew Meadows Pack Station, Los)
Angeles-Orange County to McGee)
Creek Pack Station, Los Angeles-)
Orange County to Miracle Hot)
Springs, Los Angeles-Orange)
County to San Diego.)

Application 60185
(Filed January 13, 1981;
amended April 6, 1981)

Larry Albert Moore, for himself, applicant.
Theodore W. Russell, Attorney at Law, for
Trailways, Inc. and American Bus Lines, Inc.,
and Lat J. Celmins, Attorney at Law, for
Greyhound Lines, Inc., protestants.
James P. Jones, for United Transportation Union,
interested party.

O P I N I O N

Larry Albert Moore (Moore), dba A "Superior" Bus Line, has applied for a certificate of public convenience and necessity under Public Utilities (PU) Code Sections 1031-1038 authorizing him to transport passengers and their baggage on round-trip tours from a

Los Angeles and an Orange County terminal to San Francisco, McGee Creek Pack Station-Mammoth Mountain-Frontier Pack Station-June Lake-Reds Meadows Pack Station-Agnew Meadows Pack Station (Inyo County), Earp-Crossroads-Palm Springs (San Bernardino and Riverside Counties), Miracle Hot Springs (Kern County), and San Diego.

A public hearing in this matter was held before Administrative Law Judge (ALJ) Macario on May 15, 1981, and submitted that day.

Greyhound Lines, Inc. (Greyhound) protests granting Moore's request, asserting that it is certificated to perform regular route operations as a passenger stage corporation over a network of routes in California including the areas Moore proposes to serve. Greyhound also asserts that in accordance with PU Code Section 1032, the territory sought to be served by Moore is being adequately served by existing carriers and thus the application should be denied.

During the course of hearing Greyhound's attorney introduced a letter dated May 12, 1981, addressed to Moore offering to withdraw Greyhound's protest conditional upon Moore's acceptance of a number of restrictions on his proposed operations. The letter was received as Exhibit 2. The restrictions contained in Exhibit 2 are as follows:

1. Restricted to sightseeing and pleasure tours;
2. Restricted to the use of two buses;
3. Restricted to tours of a duration of no less than three days and two nights;
4. Restricted to charging fares which include overnight hotel or motel accommodations; and
5. Restricted to the operation of tours of no more than one tour to any one destination within a nine-day period, except that the following types of tours can be operated twice weekly: (a) ski tours, (b) tours

to Mammoth, (c) June Lake, (d) Miracle Hot Springs, (e) Red Meadows Pack Station, (f) Frontier Pack Station, (g) Agnew Meadows Pack Station, (h) Crossroads, (i) Earp, and (j) McGee Creek Pack Station.

Greyhound's attorney added to the above restrictions that the service would be a round-trip service and that each trip would begin and end at the proposed Los Angeles-Orange County terminal. Moore accepted Greyhound's restrictions and its offer to withdraw its protest.

American Buslines, Inc. (American) and Trailways, Inc. (Trailways) protest, among other things, granting certification for the routes between Los Angeles-Orange County and San Francisco, between Los Angeles-Orange County and San Diego, and between San Diego and San Francisco. However, the latter route is not sought by Moore. During the course of the hearing, the attorney for American and Trailways offered to withdraw their protest if Moore would amend his application to delete the above-mentioned routes. Moore amended his application on the record to delete those routes.

Thus, we are left without protests to Moore's application, as amended and/or revised. Remaining are the following issues:

1. Is there a public demand for the proposed service?
2. Does the public convenience and necessity require that a certificate be granted for the proposed service?
3. Does Moore have sufficient ability, knowledge, experience, and financial resources to successfully provide the proposed service?

Moore introduced Exhibit 1. The exhibit was prepared before he amended his application to appease the protestants. It contains:

1. A schedule of tours including San Francisco and San Diego (now deleted);

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- 2. Descriptions of tours to Mammoth Mountain, June Lake, Miracle Hot Springs, including sleeping (camping) accommodations. Also described are the recreational facilities offered by the resorts such as river raft trips, backpacking tours, ski packages, etc.; and
- 3. An estimate of first-year operating results.

Exhibit H of the application shows Moore's personal assets to be \$21,500. The only liquid assets shown are \$5,000 cash. On some of the listed assets, Exhibit H contains the notation "lien holder". Moore testified that he owned those assets outright.

Subsequent to the hearing, Moore mailed a letter dated May 19, 1981, to the Commission. Attached was a notarized copy of a promissory note for \$5,000 payable to Moore, conditional upon his receipt of a passenger stage certificate from the Commission. The loan is to be repaid in five years at zero interest. The letter and copy of the promissory note are received as Exhibit 3.

Discussion

From the witnesses presented by Moore, we find that there is public interest in and need for the package tour-type of service he proposes. However, it is evident that the proposed tours all relate to recreational activities, sightseeing, camping, backpacking, river rafting, and skiing. These activities are very much seasonal in nature, such as skiing, December through March or April. The other recreations would be limited to the summer months, generally June through about September. Moore's operation will have a seasonal market of no more than eight months of the year.

Moore has had no experience operating a bus or passenger stage. His experience, related to the service he proposes, has been as a truck driver. Given the specialized and relatively infrequent service proposed, we believe Moore is capable of conducting the proposed passenger stage operations.

Moore lists \$5,000 in cash in his financial statement, Exhibit H, plus the \$5,000 promissory note, Exhibit 3, for a total of \$10,000. Sale of some of his personal property might optimistically raise an additional \$10,000. Moore's Exhibit 1 shows the following estimated initial outlays:

Down payment, 1968, 47-passenger bus	\$12,000
First-month payment on bus loan	900
First-month miscellaneous expenses	1,500
First-month personnel expense	600
Initial insurance payment	<u>2,500</u>
Total	\$17,500

(Amounts rounded to nearest \$100.)

The result is not the best cash position.

Exhibit 1 also sets forth estimates of ongoing operating results. These results assume 45 paying passengers per trip, a load factor of 96%, and that for the first several months of operation Moore will continue his regular employment, Monday through Friday, with net pay of \$1,600, thus tours would be scheduled on weekends only. The assumption of load factor is not reasonable. Moore recognized the possibility of small loads and proposed that scheduled tours would be canceled if he did not have at least 20 paid-in-advance reservations.

From Exhibit 1, and relying on Moore's estimates and assumptions, the following table shows his estimated pro forma position resulting from the first year of operations and underlying assumptions:

Operating revenue	\$140,400
Operating expense	<u>26,600</u>
	113,800
Less bank loan payments	<u>10,600</u>
Net income	\$103,200

1. Operating revenue assumes 104 round-trip tours, 45 passengers per trip at \$30 each.
2. Expense excludes depreciation, does not include any salaries.
3. No income taxes estimated.

The above results clearly reflect optimistic estimates, especially as to revenues. To assume 104, three-day round-trip tours, with 45 paying passengers aboard, within the year, is optimistic. Therefore, it is understandable that Moore plans to continue his regular employment, at least temporarily, in order to maintain a positive cash flow.

We find, therefore, that the proposed operation has sufficient prospect of viability to allow startup.

Findings of Fact

1. There is public demand for the service proposed by Moore.
2. Moore has sufficient experience to conduct the kind of service he has proposed.
3. Moore's financial resources are adequate to provide the service proposed.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
5. Public convenience and necessity have been demonstrated.

Conclusions of Law

1. Public convenience and necessity have been demonstrated and a certificate, as requested in the amended application and with restrictions as agreed between Moore and protestants, should be granted.
2. Because there is a public need for the proposed service the following order should be effective today.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Larry Albert Moore, authorizing him to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in Appendix A, to transport persons and 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; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol Safety rules.

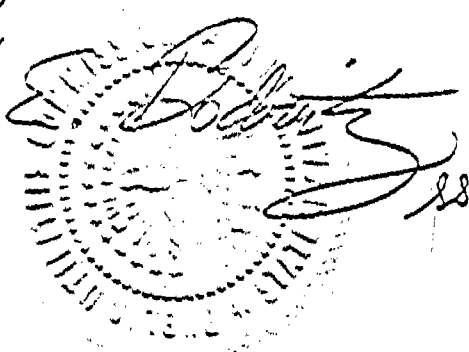
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

This order is effective today.

Dated October 6, 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I certify that this decision was approved by the above Commissioners today.

John E. Bryson


Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES

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CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC - 1188

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 93604,
dated OCT 6 1981, of the Public Utilities Commission
of the State of California in Application 60185.

Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES
(PSC-1188)

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Appendix A

LARRY ALBERT MOORE
an individual doing business as
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(PSC-1188)

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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

Larry Albert Moore, an individual by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers between certain points in Los Angeles, Orange, Kern, Mono, Riverside, and San Bernardino Counties, 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) Motor vehicles may be turned at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) All service performed shall be restricted to performance of sightseeing and recreation tours for a duration of no less than three days and two nights and the fare charged shall include overnight hotel or motel accommodations.
- (d) All service performed shall be restricted to the operation of tours of no more than one tour to any one destination within a nine-day period.

EXCEPTION: Tour 1 and Tour 2 may be conducted twice each week.

Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES
(PSC-1188)

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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- (e) All service authorized shall be limited to the transportation of round-trip passengers only.
- (f) No passengers shall be transported except those having point of origin at a terminal, each, located in Los Angeles and Orange Counties.
- (g) Applicant shall not pick up or discharge passengers, except at the points and places set forth. This restriction shall not prevent stopovers for the purpose of permitting sightseeing passengers to visit various points of interest along the route.

Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES
(PSC-1188)

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SECTION 2. ROUTE DESCRIPTIONS.

Route 1. Los Angeles/Orange County - June Lake and Mammoth Lake Recreation Area (Mono County)

Commencing at 27540 Puerto Real Street in Mission Viejo, thence, south on Puerto Real to Crown Valley Parkway, west on Crown Valley Parkway to Interstate Highway 5 (I-5), north on I-5 to State Highway 57, northeast on State Highway 57 to State Highway 60, west on State Highway 60 to Azusa Boulevard, north on Azusa Boulevard to terminal facilities located at 507 North Azusa Boulevard in Valinda where additional passengers may be picked up. Thence, continue in a northerly direction on Azusa Boulevard to Interstate Highway 10 (I-10), east on I-10 to Interstate Highway 15 (I-15), northeast on I-15 to State Highway 395, due north on State Highway 395, to State Highway 203, west on State Highway 203 to the Mammoth Lake recreation area in Mono County. Thence, return east on State Highway 203 to State Highway 395, north on State Highway 395 to State Highway 158, west on State Highway 158 to the June Lake recreation area in Mono County. Return east on State Highway 158 to State Highway 395 and over and along the reverse route to the exact point of origin.

Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES
(PSC-1188)

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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 2. Los Angeles/Orange County - Palm Springs,
Earp and the Crossroads Recreation Area in San
Bernardino County

Commencing at 27540 Puerto Real Street in Mission Viejo, thence, south on Puerto Real to Crown Valley Parkway, west on Crown Valley Parkway to Interstate Highway 5 (I-5), north on I-5 to State Highway 57, northeast on State Highway 57 to State Highway 60, west on State Highway 60 to Azusa Boulevard, north on Azusa Boulevard to terminal facilities located at 507 North Azusa Boulevard in Valinda where additional passengers may be picked up. Thence, continue in a northerly direction on Azusa Boulevard to Interstate Highway 10 (I-10), east on I-10 to State Highway 111 to the City of Palm Springs, continue in a southeasterly direction on State Highway 111 to I-10, east on I-10 to State Highway 177, north on State Highway 177 to State Highway 62, northeast on State Highway 62 to Earp and the Crossroads Recreation Area on State Highway 62 in San Bernardino County. Return northwest on State Highway 62 to State Highway 177, south on State Highway 177 to I-10, west on I-10 to Azusa Boulevard, thence, over and along the remaining portion of the reverse route to the exact point of origin.

Appendix A

LARRY ALBERT MOORE
an individual doing business as
SUPERIOR BUS LINES
(PSC-1188)

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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 3. Los Angeles/Orange County - Miracle Hot Springs
Campsite Area - Kern County

Commencing at 27540 Puerto Real Street in Mission Viejo, thence, south on Puerto Real Street to Crown Valley Parkway, west on Crown Valley Parkway to Interstate Highway 5 (I-5), north on I-5, to State Highway 57, northeast on State Highway 57 to State Highway 60, west on State Highway 60 to Azusa Boulevard, north on Azusa Boulevard to terminal facilities located at 507 North Azusa Boulevard in Valinda where additional passengers may be picked up. Thence, continue in a northerly direction on Azusa Boulevard to Interstate Highway 10 (I-10), west on I-10 to Interstate Highway 5 (I-5), north on I-5 to State Highway 99, northeast on State Highway 99 to State Highway 204, continue in a northeasterly direction to State Highway 178, east on State Highway 178 to Miracle Hot Springs Campsite area on State Highway 178 in Kern County, thence, return via the reverse route to the exact point of origin.