

Decision 93863

DEC 15 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Londell Jones, dba JONES CHARTER LINES,)
for a Class "B" certificate to operate)
as a charter-party carrier of)
passengers, Los Angeles, California.)

Application 60639
(Filed June 10, 1981)

Londell Jones, for himself, applicant.
Howard L. Everidge, Attorney at Law (New Mexico),
for Greyhound Lines, Inc., protestant.

O P I N I O N

Londell Jones has applied for authority to operate as a Class B charter-party carrier of passengers out of a terminal in Los Angeles. A protest was filed by Greyhound Lines, Inc. (Greyhound) and a public hearing was held on September 10, 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.

Applicant testified that he is employed fulltime as a cement truck driver. His charters will be over holidays or on weekends. He and his brother started transporting family and friends more than five years ago, using leased buses. They usually drove to Las Vegas, although there were shorter trips. He would assemble a group of 35 or 40 and rent the bus, averaging two trips to Las Vegas every month. Out-of-pocket cost was totaled and each passenger paid a share based on cost divided by the number of passengers. No profit was earned on any of the Las Vegas excursions.

He purchased a 1962 41-passenger bus in 1976, which was used to continue the transportation formerly provided by the leased vehicles. People in his neighborhood heard of the Las Vegas excursions and tried to reserve a seat on the next bus. In October 1979 he purchased a 1967 47-passenger Silver Eagle and was then able to accommodate the extra passengers. Service was provided for the elderly and for those who could not spend much on transportation. After the second bus was purchased he was scheduling charters on most weekends. He did not realize that operating authority had to be obtained from the Public Utilities Commission until very recently, when he filed his application for a Class B charter certificate. He has operated to date with a single bus, since he is the only driver. If he obtains his certificate, he will hire a second driver. He estimated that an income of \$25.00 an hour or \$1.60 per mile will be sufficient to make money on either bus. These estimates may have to be amended if he picks up or deposits charters at locations other than his neighborhood.

Applicant is the owner of a local bar in addition to working fulltime and scheduling weekend charters. His application lists assets of \$98,000 and liabilities totaling \$30,000. His principal debt is owed on the last bus purchased.

Four bus riders testified for applicant. The first lady represented a neighborhood social club of five members. She rode with applicant from Los Angeles to Las Vegas on a three-day weekend excursion. Later she used his service on two trips to Las Vegas. She does not take Greyhound because its service is more expensive than applicant's. The second witness represented a group of senior citizens who favor applicant because his service is good and is less expensive than Greyhound. Another lady represented a group that handles charters for the elderly and for

handicapped children. Their trips are usually to points of interest like Disneyland, Magic Mountain, or Knott's Berry Farm. Her assistant called Greyhound on several occasions and was told no vehicles were available for charter. Applicant has always provided a bus when reservations are made prior to the date of departure. The last witness represented a 100-member Compton social club. He tried Greyhound for a midweek charter on one occasion and was told that all buses had already been reserved. On another occasion he called Greyhound well in advance to schedule a charter to transport a group of kids to a mountain lake. Greyhound advised that they did not go to this lake and refused to accept the charter. Applicant was then hired to drive the group to the lake. All four testified that they will use applicant's service if the authority is granted.

Greyhound filed a protest on July 8, 1981. It is alleged that Greyhound has 2,059 intercity buses licensed to operate in the State of California, with a substantial percentage of this total permanently based in the Los Angeles area. It is further alleged that Greyhound depends on this area for a substantial portion of its charter revenue. Greyhound's position is that the territory already has more carriers than are needed to handle the available business.

A district manager from the Los Angeles area testified for Greyhound and introduced a set of exhibits. Included was a copy of Greyhound's operating authority; a map of the area involved in this application; a photograph of a late-model bus; maps showing Greyhound's vehicle storage and maintenance points; Greyhound's schedules showing regular service through the area; a diagram of Greyhound's interagency communication system; and an exhibit showing that in April 1981 there were 40 charters out of

the area applicant seeks to serve, earning revenue of \$47,154.46; in May 79, earning \$92,218.17; and in June 78, with a revenue of \$90,683.08. Totals for the three months are 197 charters and \$230,055.71.

He described Greyhound's equipment; discussed driver selection, training, and seniority; and emphasized Greyhound's advertising with special reference to charter operations, using brochures, schedules, billboards, radio, television, newspapers, magazines, and reduced rates for special groups. He stated that approximately 40% of Greyhound's intercity service is unprofitable and charter revenue is needed to compensate for this loss. He advised that there are already too many charter operators for the available business and each new authority takes another slice of the pie, which is not increasing in size.

He admitted there are periods when all of Greyhound's buses may be either in use or on standby, with nothing available for additional charters. There are also roads and areas in California that are not suitable for the passage of large luxury-type passenger buses.

He finally stated that his experience indicates the single bus operator cannot serve efficiently due to a lack of backup vehicles and drivers, combined with the difficulty of efficiently handling operating expenses for a single vehicle.

Discussion

There is a public need for applicant's proposed service. The Commission may accept evidence of successful but unlicensed operations to show a public need for proposed licensed service.

Applicant serves inner-city residents who find Greyhound's service too expensive. His patrons have indicated that they will not ride with the large, conventional carriers, if they have a choice.

Greyhound has the capacity to handle all charters scheduled from the inner-city and would welcome the business. Applicant's special attraction, however, has been providing service to family, friends, and to others who hear of his service through those who have used it. Greyhound cannot provide the low-cost personal service proposed by applicant. Greyhound's service is therefore not satisfactory to this Commission.

Given applicant has operated some excursions to Las Vegas, we place him on notice that the operating authority we grant is only for intrastate California operations; interstate authority from the Interstate Commerce Commission is required for charter excursions across state lines.

Findings of Fact

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

2. Applicant has the ability, experience, equipment, and financial resources to perform the proposed service.

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

4. Greyhound transports charter groups from, to, and through the entire area applicant seeks to serve.

5. Some of applicant's riders have not been able to charter buses from Greyhound and others have found Greyhound's service too expensive.

6. Greyhound's service is therefore not satisfactory to the Commission. ✓

7. Applicant should be authorized to pick up passengers within a radius of 40 air miles from his home terminal.

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

Conclusion of Law

Public convenience and necessity have been demonstrated and a certificate should be granted.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity, to be renewed each year, is granted to Londell Jones authorizing him to operate as a Class B charter-party carrier of passengers, as defined in Public Utilities Code § 5383, from a service area with a radius of 40 air miles from applicant's home terminal at 6628 South Vermont Avenue, Los Angeles.

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, applicant shall comply with General Orders Series 98 and 115, and the California Highway Patrol safety rules.

This order becomes effective 30 days from today.

Dated DEC 15 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.

Joseph E. Redovitz
Joseph E. Redovitz, Executive Director