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Decision 96-02-010 February 7, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
RENE URRUTIA, doing business as
SOUTH COUNTY TRANSIT for a Certificate
of Public Convenience and Necessity to
operate a Scheduled, Regular Route
Passenger Stage Corporation, Between
Salinas and King City, over U.S. Highway
101, serving all intermediate points,
pursuant to the provisions of § 1031
et seq. of the Public Utilities Code.

Application 95-08-054
(Filed August 24, 1995)

OPINION

Rene Urrutia, an individual, doing business as South County Transit (applicant), requests authority pursuant to Public Utilities (PU) Code § 1031, et seq., to establish and operate as a passenger stage corporation on a scheduled service to transport passengers and their baggage between the Cities of Salinas and King City over U.S. Highway 101, serving all intermediate points, including Chualar, Gonzales, Soledad, and Greenfield. Applicant will restrict the transportation of passengers and their baggage between points within the City of Salinas. Applicant further requests authority to establish a Zone of Rate Freedom (ZORF) under PU Code § 454.2. Applicant proposes to establish a daily scheduled service, morning, noon, and afternoon, seven days a week, northbound and southbound. After approximately 60 days after commencement of service, applicant expects to include two morning and afternoon service in each direction, while maintaining a minimum of one mid-day trip in each direction.



Applicants' drivers are bilingual in English and Spanish to accommodate the large number of potential customers who are from the Mexican and Filipino communities in the proposed service area. The vehicle applicant will operate for the service is a 1987 El Dorado that has a seating capacity of 22 passengers, including the driver. Applicant will purchase an additional vehicle with a 14-passenger seating capacity after he receives the requested authority. The proposed initial fares between Salinas, on the one hand, and King City, Greenfield, Soledad, Gonzales, and Chualar, on the other hand, are \$10, \$9, \$8, \$7, and \$6, respectively, and between Chualar, on the one hand, and Gonzales, Soledad, and Greenfield, on the other hand, are \$4, \$3, and \$3, respectively. The requested ZORF would be \$2 above and below the proposed initial fares.

Currently, Greyhound provides service between Los Angeles and San Francisco and intermediate points that include service between Salinas and King City, three times daily. Applicant contends that his service will be different because it will be focused within the immediate local communities.

Applicant competes with other passenger stage corporations, taxicabs, and automobiles in its service area.

To be competitive with other carriers and increase his ridership, applicant may offer a lower fare for the longer distance than for the shorter distance, absent the filing of an application, through the implementation of the proposed ZORF.

The unaudited balance sheets as of July 1991 indicate total assets of \$310,539, total liabilities of \$159,421, and equity of \$151,118.

Notice of filing of the application appeared in the Commission's Daily Calendar on October 6, 1995. No protest has been received. Applicant notified Monterey-Salinas Transit, Transportation Agency for Monterey County, and the affected cities and county. The Safety and Enforcement Division recommends that the application be granted.

Findings of Fact

1. Applicant requests authority to establish and operate as a passenger stage corporation on a scheduled service to transport passengers and their baggage between the cities of Salinas and King City over U.S. Highway 101, serving all intermediate points, including Chualar, Gonzales, Soledad, and Greenfield except between points within the city of Salinas.

2. Applicant requests authority to establish a ZORF of \$2 above and below his initial proposed fares.

3. Applicant competes with other passenger stage corporations, taxicabs, and automobiles.

4. Through the implementation of the ZORF, applicant may offer a lower fare for the longer distance than for the shorter distance that may conflict with the long- and short-haul provisions of PU Code § 460. To be relieved from such conflict, applicant should be exempted from PU Code § 460.

5. No protests to the application have been filed.

6. Public convenience and necessity require the issuance of a certificate to perform the proposed service.

7. 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. A public hearing is not necessary.

2. Public convenience and necessity have been demonstrated and the application should be granted, as set forth in the following order.

3. The application for a ZORP should be granted.

4. Before applicant changes fares under the ZORP authorized below, applicant should give this Commission 10 days' notice.

5. The filing of ZORP fares should be accompanied by a tariff amendment showing between each service point the high and low ends of the ZORP and the then currently effective fare.

6. The exemption to the long- and short-haul provision of PU Code § 460 should be granted.

7. Since this application is uncontested, the decision should be effective on the date signed.

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

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Rene Urrutia, an individual (applicant), authorizing him to operate as a passenger stage corporation, as defined in Public Utilities (PU) Code § 2267, to transport persons and their baggage between the points and over the routes set forth in Appendix PSC-10098.

Conclusion of law

A public hearing is not necessary.

2. Applicant is authorized under PU Code § 454.2 to establish Zone of Rate Freedom (ZORF) above and below his proposed initial fares as indicated in Exhibit 3, attached to the application.

3. 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 the tariffs and timetable 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 101, 104, and 158, and the California Highway Patrol (CHP) 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 PU § 403 when notified by mail to do so.

g. Comply with PU Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.

4. Applicant shall file a ZORF tariff in accordance with the application on not less than 10 days' notice to the Commission and to the public and subject to Commission approval.

The ZORF shall expire unless exercised within 60 days after the effective date of this order.

5. Applicant may make changes within the ZORF by filing amended tariffs on not less than 10 days' notice to the Commission and to the public. The tariff shall include between each service points the authorized maximum and minimum fares and the fare to be charged.

6. Applicant is exempted from the long- and short-haul provisions of PU Code S 460 in setting the authorized ZORF fares.

7. In addition to posting and filing tariffs, applicant shall post notices explaining fare changes in his terminals and passenger-carrying vehicles. Such notices shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

8. Before beginning service to any airport, applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are also authorized by the airport's governing body.

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

10. Applicant shall file a ZORF tariff in accordance with the application on not less than 10 days' notice to the Commission and to the public and subject to Commission approval.

A.95-08-054 ALJ/WRS/gab

10. The application is granted as set forth above.

This order is effective today.

Dated February 7, 1996, at San Francisco, California.

DANIEL Wm. FESSLER
President

P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEPPER
Commissioners

T/MN

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Rene Urrutia
(an individual)

Appendix PSC-10098

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Rene Urrutia
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CERTIFICATE

OF

**PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION**

PSC-10098

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 96-02-010, dated February 7,
1996, of the Public Utilities Commission of the State of
California in Application 95-08-054.

Issued by California Public Utilities Commission
Decision 96-02-010, Application 95-08-054.

Appendix PSC-10098

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(an individual)

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Rene Urrutia
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Showing passenger stage carriage 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 on added original pages.

Issued under authority of Decision 96-02-010, dated February 1, 1996, of the Public Utilities Commission of the State of California in Application 95-08-054.

Issued by California Public Utilities Commission.

Decision 96-02-010, Application 95-08-054.

Appendix PSC-10098 ... Rene Urrutia ... Original Page 2
 (an individual)

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

Rene Urrutia, an individual, 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 scheduled service, over and along the routes described in Section II, subject, however, to the authority of this Commission to change or modify the routes 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. Scheduled service will be operated only at the designated service points listed in Section II. Such schedules shall be the timetable filed with the Commission. All of the stop points shall be described in the timetable filed with the Commission.
- c. No passengers and their baggage shall be transported between points within any city.

Issued by California Public Utilities Commission.
 Decision 96-02-010, Application 95-08-054.

Decision 96-02-010, Application 95-08-054.

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(an individual)

SECTION II. ROUTE DESCRIPTION AND SPECIFICATIONS

Route 1 - King City - Salinas

Commencing from King City, then over U.S. Highway 101, serving all points along this route, including Greenfield, Soledad, Gonzales, Chualar, and to the City of Salinas.

Route 2 - Chualar - Greenfield

Commencing from Chualar, then over U.S. Highway 101, serving all points along this route, including Gonzales, Soledad, and to the City of Greenfield.

When these descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.

Scheduled service will be operated only at the designated service points listed in Section II. Each schedule shall be the trip filed with the Commission. All of the trip points shall be described in the trip filed with the Commission.

No passengers and their baggage shall be transported between points within any city.