

Decision No. 18413

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
KEY SYSTEM TRANSIT COMPANY, a cor-
poration, to abandon its motor bus
service now operating between a
terminus at Los Angeles Avenue and
Spruce Street and a terminus at Alta
Road and Spruce Street, and inter-
mediate points in the City of Berkeley,
County of Alameda, State of California.)

) Application No. 13604.

Brobeck, Phleger & Harrison, by Frank S.
Richards, for Applicant.

E. J. Sinclair, City Attorney, for
the City of Berkeley.

John F. Denman, in propria persona.

LOUTTIT, COMMISSIONER:

O P I N I O N

Key System Transit Company, a corporation, filed the above entitled proceeding on March 14th, 1927, seeking permission to abandon service on its Spruce Street Motor Coach Line in the City of Berkeley, Alameda County, California. On April 8th, 1927, this utility filed an amended application, requesting permission to increase the rate of fare and curtail the service on this line in the event permission to abandon the line, as applied for in the original application, was denied.

A public hearing was held in this matter in Berkeley on April 8th, 1927.

The Spruce Street Motor Coach Line extends from the terminal of the Spruce Street car line at the intersection of Spruce Street with Los Angeles Avenue, northerly along Spruce Street a distance of approximately one and one-tenth miles to Alta Road.

Permit for this bus operation, for a period of one hundred and eighty (180) days, was granted by the City Council of Berkeley by Resolution No. 15456 N.S., passed September 14th, 1926. Operation of the bus line began September 19th, 1926. On March 8th, 1927, the City Council of Berkeley, by Resolution No. 15742 N.S., authorized the continued operation of this motor coach line to April 15th, 1927. The line operates entirely within the City of Berkeley and no certificate for its operation was obtained from this Commission.

Applicant's Exhibit No. 1 shows the operating results of this bus line from September 19th, 1926, to March 31st, 1927. This record shows the following averages per month during this period: passengers carried, 5,070; total bus miles operated, 3,710; and, total receipts for this operation, \$155.00. The average operating expenses, including overheads, over the same period of time are shown to be \$1,194. per month. The operation, therefore, shows an average deficit of \$1,039. per month, or, in other words, the average receipts are 12.9% of the average expenses.

In the amended application, it is sought to decrease the operating loss by increasing the rate of fare and curtailing the service. The City of Berkeley and other interested parties registered their opposition to any increase in the fares for the line at this time. While no serious opposition was presented to a curtailment of the service, it is evident that if the service were reduced to one-half the amount now afforded the operating expenses would continue to be out of proportion with the revenue received, naturally the revenue would diminish to some extent with a reduced service.

The question of rates of fare for this utility over its entire system is now being considered by the Commission in Application No. 11329 and it would seem proper that the fares for all lines be considered in that proceeding.

Prior to the hearing, some of the interested parties, including applicant, and certain improvement clubs, attempted to reach an agreement relevant to decreasing the operating loss by a curtailment of service and an increase in fares. It appears, however, that the parties were unable to present an agreed plan to the Commission for its consideration.

From the evidence adduced in this proceeding, it appears that the revenue received from the operation of this bus line is unreasonably low, compared with the expense of performing the service, and that it is unfair to require this utility and patrons of its other lines to sustain such a loss; therefore permission to abandon this bus line should be granted, as applied for in the original application, insofar as this Commission has jurisdiction in the matter.

I recommend the following form of order:

O R D E R

Key System Transit Company, having applied to this Commission for an order seeking permission to discontinue its Spruce Street Motor Coach Line in the City of Berkeley, or, in the event such permission is denied, it be authorized to increase its rates of fare and curtail the service on this line, a public hearing having been held, the matter being under submission and ready for decision,

IT IS HEREBY FOUND AS A FACT that the revenue received from the operation of applicant's motor coach line on Spruce Street between Los Angeles Avenue and Alta Road, in the City of Berkeley, does not justify the expense incurred in providing this service and that this loss places an undue burden upon this utility and patrons of its other lines, therefore

IT IS HEREBY ORDERED that insofar as this Commission has jurisdiction in the matter, the Key System Transit Company be and

it is hereby authorized to abandon its Spruce Street Motor Coach Line between Los Angeles Avenue and Alta Road, in the City of Berkeley, on and after June 15th, 1927.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 26th day of May, 1927.

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners.