

Decision No. 22281.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN PACIFIC MOTOR TRANSPORT
COMPANY for certificate of public
convenience and necessity to operate
motor vehicle service as a common
carrier between Point Reyes, Marin
County, and Monte Rio, Sonoma County,
California.

ORIGINAL

Supplemental
Application
No. 15517.

Earl A. Bagby, for Applicant.

BY THE COMMISSION:

O P I N I O N

Applicant Pacific Greyhound Lines, Inc., successor in interest of Southern Pacific Motor Transport Company herein seeks, by supplementary proceeding, authority to abandon its common carrier passenger and baggage service between Petaluma and Monte Rio and points intermediate, as authorized by Decision No. 22672 in the instant application.

A public hearing thereon was conducted by Examiner Williams at Petaluma, at which time the matter was duly submitted for decision.

The service proposed to be abandoned is for the transportation of passengers and baggage only, express having been denied in the original order. It was established August 1, 1930, and has been continuously conducted since that time. Lack of patronage is the reason urged for discontinuance.

Through M. C. Frailey, Assistant Auditor of applicant, it was shown that between August 1, and October 30, inclusive, the vehicle used operated 13,984 miles and transported 694 passengers. This business produced a revenue of \$570.15 or

.041 dollars per mile (Exhibit No. 1 filed at the hearing), The operating cost for the same period (Exhibit No. 2) is shown to have been \$1333.74 or .0954 dollars per mile, or more than twice the operating revenue per mile. The distance between termini is 34 miles. The set-up of cost is based on system allocation of accounts, and does not appear out of line with recognized economy of operation, especially as it does not include system overhead.

The vehicle operated is an 18-passenger safety coach. Two round-trip schedules are maintained each way. The greatest number of passengers in any month was in September, when 260 were transported, an average of 8.66 per day on all four schedules. After September the patronage declined. Applicant contends that August and September are the most favorable months to test patronage, and that there is no longer a possibility of enlarging the business. It was also contended that the use of a small vehicle would not materially alter operating costs.

No one appeared to protest the abandonment, although due notice was sent to public and civic bodies representing the points affected.

While the revenue is palpably insufficient to meet the out-of-pocket cost of operation, applicant will have the benefit of additional revenue accruing from a contract executed between applicant and Southern Pacific Company and Pacific Transportation Securities Company in April, 1929 (Exhibit No.3), in which applicant, as a feeder line to a rail subsidiary of Southern Pacific (in this case Northwestern Pacific Railroad through connections at Petaluma) was assured a profit of two cents a mile until such time as Southern Pacific Company elected to discontinue connection with any feeder system. On October 12, 1930, notice of termination of this connection was made on applicant. Applicant expects to be reimbursed for its losses up to that time at least.

The record discloses that the certificate here involved was not granted in lieu of previous service between termini maintained by Northwestern Pacific Railroad, said service having been discontinued by authority of the Interstate Commerce Commission many months previous to the filing of Application No. 15517, under which the present action is supplementary. These facts are related to explain an item of revenue not included by applicant and without purpose of passing on this contract.

The record justifies authority to applicant to discontinue the service on the basis of lack of patronage and inability to become, at least, self-sustaining, irrespective of the contract alluded to.

ORDER

Pacific Greyhound Lines, Inc., a corporation, having made application to discontinue its passenger and baggage stage service between Petaluma and Monte Rio, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

IT IS HEREBY ORDERED that Pacific Greyhound Lines, Inc. be, and it is hereby authorized to abandon, on or before January 31, 1931, all of its schedules and operations between Petaluma and Monte Rio, and to cancel its rates and time schedules therefor, subject to the condition

That at least ten (10) days notice be given to the public by posting of notices of such abandonment in the depots and stages in the territory affected.

IT IS HEREBY FURTHER ORDERED that the certificate for said operations granted by Decision No. 22672 on Application No. 15517 be, and the same hereby is revoked and annulled.

Dated at San Francisco, California, this 13th day of

January, 1931.

C. S. Jones
W. B. Harris
Fred G. Stetson
Commissioners.