

ORIGINAL

Decision No. 43946

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
BRUCE W. ROBB for permission to increase)
fares in the passenger stage corporation) Application No. 30845
carried on under the certificate granted)
in Decision 41288.)

Appearances

- Harry Noland of Noland and Lawson, for applicant.
- Albert Harris, for the Teamsters Union.
- Stanley Neyhart, for International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Drivers.
- Russell Scott, for City of Salinas, an interested party.

O P I N I O N

Applicant is engaged in the transportation of passengers within and in the vicinity of Salinas.¹ He seeks authority to establish certain increased one-way adult fares. Public hearing was had before Examiner Lake at Salinas on February 3, 1950.

Applicant conducts his operations over six routes. Routes 1, 2, 3 and 4 are referred to as the Boronda, County Hospital, Alisal and Spreckels runs, respectively. These runs originate within and extend beyond the city limits of Salinas. Operations on the other routes are conducted wholly within the city.

For transportation over any of the routes, except over Route 4 (Spreckels), the present fare is 10 cents. For transportation over the last mentioned route the fare is 15 cents cash or 50 rides for \$5.00. Authority is herein sought to increase the 10-cent fare applicable on Routes 1 (Boronda) and 3 (Alisal) to 15 cents cash or 50 rides for \$6.25 for transportation beyond the city limits.

¹ He also performs a charter bus service and operates a garage and gas and oil business.

Authority is also sought to increase the fare of 50 rides for \$5.00 applicable over Route 4 (Spreckels) to 50 rides for \$6.25. No change is proposed in the fares presently applicable for transportation wholly within the city limits of Salinas nor for transportation over Route 2 (County Hospital).

In support of the sought increases, applicant testified that his operations were conducted at a loss in 1947 and 1948. In 1949, his earnings were inadequate.² He asserted that in computing his earnings no provision had been made for his own services as manager. Had a reasonable charge been assessed for such services losses would also have been reported for his 1949 operations. He attributed his losses for this year to a substantial decline in the volume of traffic during the last six months. He contended that the proposed fares would not return a profit. Nevertheless, he expressed the hope that conditions would improve to such a point that he would be able to operate at a profit under the proposed fares.

A transportation engineer of the Commission's staff submitted and explained, in considerable detail, an exhibit which consisted in general of studies of traffic trends, estimates of passengers and passenger revenues and operating expenses, depreciation and rate base statements and forecasts of the estimated results of operations for a 12 months' period ending February 28, 1951.

For the first six months of 1949, the witness developed that the number of passengers transported was practically the same as that carried during the same period in 1948. During the last

²For the first ten months of 1949 the net profit from applicant's transportation business was shown to be \$1,438. For the 12 months' period the net profit was only \$661.

six months of 1949, however, a decline of 21 per cent under the 1948 volume was experienced. He stated that, while he did not develop the reasons for the decline of business, passenger traffic for the bus industry generally was 15 to 20 per cent lower in 1949 than in 1948.

This witness estimated that the existing fare based upon present conditions and anticipated expenses would result, for the period covered by his study, in a loss of slightly in excess of \$19,000. The estimated operating ratio would be 130.7. Operating results under the proposed fares as developed by the engineer are as follows:

Operating Revenues	\$69,880
Charter Revenues	3,420
Total Operating Revenues	\$73,300
Operating Expenses	\$81,725
Net Operating Income	(\$ 8,425)
Operating Ratio	131.5
Rate Base	\$43,110

() Denotes loss.

A resident of the Alisal area and various union representatives protested the granting of the proposed fare. They contended that the service rendered was not worth the amount of the fare; and that by reason of unemployment the increased fare would work a hardship on certain patrons. In addition, they submitted testimony with respect to conditions arising from certain labor difficulties.³

A detailed discussion of the evidence is unnecessary. The record leaves no question that applicant's present fares are not sufficient to return the costs of operation. We are convinced that unless applicant is able to develop additional revenues his ability to continue his service will be seriously jeopardized. Applicant did not submit forecasts of future revenues or expenses. It is clear from the

³ They also alleged that resolutions protesting the granting of the authority herein sought had been passed by various local unions but that such resolutions had not been, at time of hearing, approved by the parent organizations. Authority was granted protestants to file the resolutions within 10 days after the date of hearing. No such resolutions were filed. Similar authority was accorded for the filing of briefs. Briefs were not filed by protestants. The brief submitted by applicant was not seasonably filed.

evidence submitted by the Commission's witness, however, that the proposed revenues, if received, will only operate to reduce the estimated loss under the present fares.

Upon careful consideration of all of the facts and circumstances of record, the Commission concludes and finds as a fact that the sought fare increases have been justified. The amended application will be granted.

O R D E R

Application having been made in the above-entitled proceeding and based upon evidence received and conclusions and findings in the preceding opinion,

IT IS HEREBY ORDERED that applicant be and he is hereby authorized to amend his Local Passenger Tariff No. 1, Cal. P.U.C. No. 1, as follows:

1. To establish a fare of 15 cents per adult one-way ride or 50 rides for \$6.25 for transportation beyond the city limits of Salinas over Route 1 (Boronda) and Route 3 (Alisal).
2. To establish a fare of 50 rides for \$6.25 for transportation over Route 4 (Spreckels).

IT IS HEREBY FURTHER ORDERED that the authority herein granted to establish the increased fares shall expire ninety (90) days after the effective date of this order.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 14th day of March, 1950.

R. Z. [Signature]
Justice J. Calver
[Signature]
Harold P. [Signature]
[Signature]
Commissioners