

ORIGINAL

Decision No. 45015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SHORELINE TRANSIT, INC., a California)
 corporation, for an order placing the)
 operation of its Santa Monica-Malibu) Application No. 31812
 Colony Line on a seasonal basis from)
 May first to October thirty-first)
 of each year.)

Elizabeth S. Hoyme, for applicant. Richard A. Perkins,
Bernadeen Murrell, Edith McConnell, protestants; Clark E. Sturm,
 for T. M. Chubb, Assistant General Manager, Department of Public
 Utilities and Transportation, City of Los Angeles, and Roger
 Arnebergh, Assistant City Attorney, City of Los Angeles,
Margaret L. Le Sueur, interested parties.

O P I N I O N

Shoreline Transit, Inc., a California corporation,
 has requested authority to discontinue its passenger bus
 service between Santa Monica and Malibu during a portion of
 each year⁽¹⁾.

Public hearings were held on October 27 and November 3,
 1950, at Malibu, evidence was presented and the matter was sub-
 mitted. It is now ready for decision. Notice of the hearing
 was posted in applicant's buses prior to October 27, 1950.

(1) Authority to operate this line on a year-round basis
 was granted by Decision No. 39324, dated August 13, 1946,
 on Application No. 27558.

Decision No. 39324 authorized applicant to operate a passenger bus service between Santa Monica and Malibu, a distance of approximately 13 miles, via U. S. Highway 101-A. The application herein requests authority to discontinue this service each year between November 1 and April 30, both days inclusive, for the reason that there is such a falling off of traffic during the latter period that no service is justified.

The evidence shows that the operations of the applicant over its Santa Monica-Malibu line have lost money since the line's inception. The applicant's records show that, for the calendar year 1947, the line lost \$5,098.71, for the calendar year 1948, the line lost \$4,239.61, and for the calendar year 1949, the line lost \$7,632.98. The evidence further shows that, in each of these years, the losses were heavier during the months of November, December, January, February, March, and April than during the remainder of the year; that, for the first six months of 1950, the applicant's gross revenue over this line was \$4,574.47, and that the total cash outlay by the applicant in maintaining this line during the same period was approximately \$4,000. This figure does not take into consideration the depreciation on equipment which, during the same period, amounted to, roughly, \$1,100. The first six months of the year include, however, four of the months in which applicant requests authority to discontinue service, and only two of the months during which applicant desires to continue service. It was the opinion of applicant's accountant that, if applicant is authorized to discontinue

service on the line, as requested, during the six-months period outlined, only about 10% of applicant's expenses would remain, as 90% of the line's expenses are expenses directly connected with running the buses. Applicant's vice-president testified that, in her opinion, if authorization were given to discontinue the line during the six months named, the line would break even instead of showing an annual loss.

Several public witnesses testified that there is a year-round need for passenger transportation via applicant's Santa Monica-Malibu line. One public witness objected to the discontinuance of the line during a portion of each year. He admitted that the evidence does not show that the applicant can operate the line at a profit, but requested that the line be kept in operation until it can be operated by some person or company that would be interested in subsidizing, and able to subsidize, the line to keep it operating. He did not indicate any specific organization which would be interested in operating a losing business and suggested no way in which applicant could overcome its losses.

In view of applicant's obvious lack of patronage during the winter months, as shown by its records for 1947, 1948, and 1949, applicant's request appears to be reasonable and will be granted.

O R D E R

Application having been filed, a hearing having been held, the Commission being fully advised in the premises and good cause appearing,

IT IS ORDERED that Shoreline Transit, Inc. be, and it hereby is, authorized to discontinue the passenger-stage service on its Santa Monica-Malibu line, authorized by Decision No. 39324, on Application No. 27558, and to place said service in operation on a seasonal basis only, between May 1 and October 31, 1950, both dates inclusive, and annually during said period thereafter; provided, however, that the authority herein granted shall not be exercised unless and until at least ten days' notice shall have been given by applicant to the public, of the change in service herein authorized, by posting an appropriate notice in a conspicuous place in all terminals and on all motor vehicle equipment utilized in said service; nor unless and until appropriate supplements to applicant's existing tariffs and time tables, reflecting the change in service herein authorized, have been duly filed with the Commission.

In all other respects Decision No. 39324 shall be and remain in full force and effect.

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

Dated at San Francisco, California, this 21
day of November, 1950.

R. F. [Signature]
Justin J. [Signature]
Wm. H. [Signature]
Harold [Signature]
[Signature]
COMMISSIONERS