

ORIGINAL

Decision No. 47237

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Martinez Bus Lines, a corporation, for)
authority to abandon service between)
Martinez and Concord and in the City)
of Concord and the immediate vicinity,)
and for an order authorizing increases)
in passenger fares in the City of)
Martinez and the immediate adjacent)
vicinity.)

Application No. 33149

Appearances

John Soares, for applicant.
Otto B. Liersch, for Engineering Division,
Transportation Department, Public
Utilities Commission of the State of
California.

O P I N I O N

Martinez Bus Lines, Inc., is a passenger stage corporation engaged in the transportation of passengers within and in the vicinity of Concord and Martinez and of passengers and shipments of express between those cities, including intermediate points. By this application, it seeks authority to abandon certain of these services and to establish increased fares for the remainder of the operations.

Public hearing of the application was held at Martinez on May 14, 1952, before Commissioner Mitchell and Examiner Jacopi.

Applicant's operations within and in the vicinity of Concord were authorized by Decision No. 44889 of October 10, 1950, in Application No. 31703. The operative right for the service between Concord and Martinez and intermediate points, including Buchanan Fields, is covered by Decision No. 45879 of June 26, 1951, in Application No. 31747. Applicant seeks authority to discontinue

these services. The remainder of the operations, those within and in the vicinity of Martinez, would be continued.¹

Applicant's manager testified that all of applicant's common carrier operations had been conducted at substantial losses for several years. This condition was attributed to a steady drop in traffic volume coupled with material increases in the cost of operation. Exhibits were submitted showing that the losses amounted to \$7,028 in the year 1950 and \$8,909 in the year 1951.

The portions of the operations which applicant proposes to abandon accounted for \$6,214 and \$7,301 of the respective total losses shown above. The number of passengers handled in these particular services has dropped from an average of 2,600 passengers per month in 1948 to 1,900 in 1951. Serious efforts have been made to improve the patronage on these routes. In the past three years, these activities included the operation of more frequent schedules, the placing in service of a new bus, the adjustment of schedules to provide direct connections with the through service of Pacific Greyhound Lines, the advertisement of the services and the maintenance of fares without upward adjustment to compensate for increased costs. Despite these efforts to obtain additional revenue, the manager said, the operating losses progressively increased. These operations were discontinued in March 1952 when Greyhound's connecting services temporarily ceased because of labor difficulties.

Notices of the public hearing of the proposal to discontinue the services in question were posted in applicant's vehicles

¹ Decision No. 45879, supra, among other things, granted a certificate de novo which superseded and revoked the operative rights theretofore possessed by applicant. The new certificate also included the operations in Martinez and the adjacent territory.

and depots and were published in newspapers of general public circulation in the areas involved. In addition, the Commission's secretary sent notices of the hearing to persons and organizations believed to be interested. No one appeared in opposition to the proposed abandonment of the services.

The evidence is convincing that there is insufficient public demand for the services in the territories in question to sustain the operations. Applicant cannot be expected to continue to bear the substantial losses it has incurred in conducting these operations. It does not appear from the record that a fare increase would solve the financial problems arising from these portions of the services operated by applicant. The sought authority to discontinue the particular operations in question will be granted.

We turn now to the proposal to increase the fares for the Martinez operations. For these services, the present fare is 10 cents cash. Children under eight years of age are transported at half-fare or five cents. No school or other classes of fares are maintained. The present fares have not been advanced since the year 1946. Authority is sought to increase these fares to 15 cents and 10 cents, respectively.

Studies of the financial results of the Martinez operations were presented by applicant's manager and by a transportation engineer of the Commission's staff. Both of the witnesses reported that operations under the present fares in the year 1951 resulted in a loss of \$2,608. For a future 12-month period, the studies showed that the service still would be provided at a loss under

either the present or the proposed fares. The estimated future operating results calculated by the witnesses are summarized in the tabulation that follows:

Estimated Results of Operation Under the Present and Proposed Fares for the 12 Months Ending May 31, 1953

	<u>Applicant</u>		<u>Commission Engineer</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenue	\$ 6,750	\$ 9,860	\$ 6,450	\$ 8,900
Operating Expenses	<u>11,210</u>	<u>11,214</u>	<u>11,661</u>	<u>11,696</u>
Net Operating Revenue	<u>(\$ 4,460)</u>	<u>(\$ 1,354)</u>	<u>(\$ 5,211)</u>	<u>(\$ 2,796)</u>
Operating Ratio	166.1%	113.7%	180.8%	131.4%

() - Indicates Loss.

The differences in the figures resulted from miscalculation of the revenue and the depreciation charges by applicant's witness. The engineer's figures will be used for the purpose of this proceeding.

Applicant's manager stated that the company has a reasonably profitable contract for the transportation of school children in the Martinez area which will be in force for another two years. Special school buses are used and the service is conducted separately from the common carrier operations. Assertedly, applicant could not continue to provide the latter services if it did not have the income from the school contract. The witness stated also that there is a steady increase of population in Martinez and adjacent territory and that he expected the patronage of the service ultimately to become sufficient to sustain the operations.

The manager of the Martinez Chamber of Commerce said that applicant is performing a necessary public service in and adjacent to Martinez and that its continuance was essential. He explained that the City Council and the Chamber of Commerce had requested him to study the proposals to discontinue the operations hereinbefore

discussed and to increase the Martinez fares. After examining applicant's books and observing that only two or three people per bus trip were using the services that would be abandoned, he recommended to the council and the chamber that the proposed abandonment and the adjustment of the Martinez fares were necessary if the latter service was to be retained for the public. Assertedly, his recommendation was adopted unanimously. The witness reported that his discussions with patrons of the service generally indicated that they were willing to bear the increase in order to have adequate service.

No one appeared in opposition to the proposed increases in fares. Notices of the hearing were posted in applicant's vehicles and were published in a newspaper of general public circulation in the affected territory.

It is apparent from the evidence of record that the revenue under applicant's present fares is insufficient to defray the cost of operation and that the service would be conducted at a slight loss under the proposed fares. The record shows that the increased fares are needed to minimize the loss and to assure continuance of the service for the public. The proposed fares will be authorized.

Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and hereby finds that the sought increases in fares within and adjacent to Martinez have been justified; and that the patronage of the services does not warrant continuance of the operations within and in the vicinity of Concord and also between Concord and Martinez and intermediate points. In view of the urgent need for increased revenue, authority will be granted to establish the fares herein authorized on less than statutory notice. In the interest of clarity a new certificate of public convenience and necessity will be issued describing applicant's remaining authority in the Martinez area, which will supersede the operative rights heretofore possessed by it.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Martinez Bus Lines, Inc., be and it is hereby authorized to establish within sixty (60) days after the effective date of this order on not less than five (5) days' notice to the Commission and to the public an increased fare of 15 cents cash and, for children under eight (8) years of age, an increased fare of 10 cents cash, as proposed in the application filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby directed to post and maintain in its vehicles a notice of the increased fares herein authorized. Such notice shall be made not less than five (5) days prior to the effective date of such fares and shall be maintained for a period of not less than thirty (30) days.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby authorized to discontinue services as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between points in Concord and vicinity and between Concord and Martinez and intermediate points, as proposed in the application filed in this proceeding; and that the operative rights granted to or acquired by applicant under Decision No. 44889 of October 10, 1950, in Application No. 31703 and Decision No. 45879 of June 26, 1951, in Application No. 31747, be and they are hereby canceled, revoked and annulled.

IT IS HEREBY FURTHER ORDERED that, in lieu of the operative rights heretofore created by the aforesaid Decisions Nos. 44889 and 45879, a certificate of public convenience and necessity be and it is hereby granted to Martinez Bus Lines, Inc., authorizing the establishment

and operation of service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers between points within the City of Martinez and adjacent suburban areas over and along the following routes:

"(a) Commencing at Main and Castro Streets, thence via Castro Street to Ward Street, thence to Alhambra Avenue, thence via Alhambra Avenue extension to Arnold Highway, thence to Alhambra Valley Road, thence to Lander Drive, thence to Alhambra Avenue, thence to Escobar Street, thence to Castro Street, thence to the point of beginning.

"(b) Commencing at Main and Castro Streets, thence via Castro Street to Ward Street, thence to Pine Street, thence to Pacheco Boulevard, thence to Santa Fe Avenue, thence to Sycamore Avenue, thence to Palm Street, thence to Merle Street, thence to Monterey Street, thence to Shell Avenue, thence to Martinez Avenue, thence to Pacheco Boulevard, thence to Jones Street, thence to Pine Street, thence to Escobar Street, thence to Castro Street, thence to the point of beginning."

IT IS HEREBY FURTHER ORDERED that in conducting passenger stage operations pursuant to the certificate granted by this decision, Martinez Bus Lines, Inc., shall comply with and observe the following service regulations:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days after the effective date hereof.
2. Applicant shall comply with the rules of the Commission's General Orders Nos. 79 and 80 and Part 19 of General Order No. 98, by filing in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission.

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

Dated at Los Angeles California, this 5th day of June, 1952.

J. J. [Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners