

ORIGINALDecision No. 47938

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HARRY JOHNSON, doing business as)
 REDLANDS TRANSIT LINE, for certifi-)
 cate of public convenience and) Application No. 33683
 necessity, to operate a passenger)
 service as a common carrier between)
 Mentone and Redlands, California.)

Rex W. Cranmer, for applicant.O P I N I O N

Applicant requests authority to operate a passenger stage service in the City of Redlands and between Redlands and the community of Mentone situated approximately five miles northeasterly from the business district of Redlands. Applicant now operates a bus service within the city limits of Redlands. The two routes operated are the Highland Avenue Line and the so-called Mentone Line. The latter line now extends to the intersection of Wabash Avenue and Lugonia Avenue, a distance of approximately four miles, adjacent to the west portion of Mentone.

The present bus service is conducted upon an oral agreement with the City of Redlands, whereby either party may terminate the operation at any time.

A public hearing was held in Redlands. Evidence having been adduced, the matter was submitted for decision.

The evidence shows that applicant's present operations are being conducted at a loss. His daily revenue for the first 18 operating days in October was \$16.25, or approximately 15.5 cents per bus mile, on daily mileage of 105 miles. Applicant testified that he estimated his present operating costs to be approximately 23 cents per mile.

A statement of income and expenses for the first six months of 1952, filed with the application, shows gross revenue of \$1,973.20 and expenses of \$1,440.08. Said figures, however, do not include driver's wages for applicant, increased cost of public liability insurance of \$37.52 per month, if certificated, nor payments on equipment of \$121 per month. Considering the two latter items, the results would have been a loss of \$528 instead of a profit of \$423.12. An additional expense for driver's wages should also be considered.

The proposed service into the community of Mentone would bring the present operation less than one mile closer to some prospective patrons. At present the Mentone passengers walk to the nearest point at Wabash and Lugonia Avenues. The record is not convincing, nor is it supported by substantial evidence, that any material increase in patronage would result from the proposed extension.⁽¹⁾ Residential and industrial development has not materialized as was anticipated (see Decision No. 39474, dated October 1, 1946).

A passenger stage service between Redlands and Mentone, similar to the one herein proposed, was recently abandoned upon a showing of unprofitable operation (Decision No. 45453, dated March 13, 1951).

The Redlands service is now being operated at a loss and, although a small increase in Mentone traffic would probably materialize, neither the past record nor the present showing justify a conclusion that the over-all operation could be conducted profitably.

(1) A petition for the proposed Mentone extension, containing the signatures of 198 persons, was filed as an exhibit with this application.

A denial of the proposed extension of less than one mile into the community of Mentone will not affect applicant's present operation.

Analysis of the instant record indicates that the expenses of the proposed operation would exceed the estimated revenues. The Commission is aware of the fact that a service between the points here involved and similar to that contemplated herein, was authorized to be abandoned recently because of the inability of the carrier to render such service profitably. It would not be consonant with the public interest, nor would it be a proper discharge of the duties and obligations imposed on the Commission were it to authorize the conduct of an operation which holds so little promise of enduring.

Upon consideration of the evidence in this proceeding, we are unable to find that the proposed operation would be compensatory, nor that public convenience and necessity require its establishment. The application will be denied.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and being unable to find that public convenience and necessity require the establishment and operation of a passenger stage service as herein proposed,

IT IS ORDERED that Application No. 33683 be, and it hereby is, denied.

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

Dated at San Francisco, California, this 18th day of November, 1952.

A. J. ...
President

Harold P. Kula

Arnold ...

W. E. Mitchell

Commissioners