

ORIGINALDecision No. 48725

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NEVADA COUNTY BUS LINE)
 for authority to abandon service)
 between Grass Valley and Colfax and) Application No. 33997
 between Grass Valley and Marysville.)

Earl Bagby, for applicant.O P I N I O N

In the above-entitled proceeding Nevada County Bus Line requests authority to discontinue passenger stage operations between Grass Valley and Marysville and intermediate points via Smartsville and Camp Beale and also between Grass Valley and Colfax and intermediate points. Applicant would continue passenger stage service between Nevada City, Grass Valley and Auburn and intermediate points including off-route service to the De Witt Hospital. No local service would be rendered between Grass Valley and Nevada City as it is not authorized.

The application in this proceeding was filed January 6, 1953 and public hearing thereon was held before Examiner Paul at Grass Valley on March 17, 1953 and the matter was submitted. Notice of the hearing was posted in the equipment used by applicant during the one-week period immediately preceding and on the day of the hearing. Despite the fact that civic bodies and officials of all the various cities and counties involved were notified of the hearing, no one made an appearance. However, two regular users of the Colfax line testified as to their needs for the continuation of the service which will be discussed later herein.

Documentary and oral evidence in support of applicant's request was produced by its president who is also the principal

stockholder. The record shows that applicant's systemwide total operating revenues and total operating expenses for the annual period ending December 31, 1952 amounted to \$21,280.86 and \$26,148.33, respectively, which resulted in a net operating loss of \$4,867.47. During this period it operated 57,722 miles at a cost of \$0.453 per mile (Exhibit No. 2). The witness stated that November is a typical month with respect to revenues and expenses of operations. According to Exhibit B of the application, applicant operated 4,620 miles systemwide during the month of November, 1952. The total expenses of operations for that month were \$1,651 or an average of \$0.3575 per mile of operation. The witness stated that the difference between the annual systemwide per mile expense of operation for the year 1952 and those expenses for the month of November, 1952, is principally accounted for by the termination of his salary as of April 1, 1952. Prior to the latter date the witness had drawn an annual salary of \$5,400 from applicant which was terminated because of applicant's financial condition. He stated that since then he and his wife have been compelled to obtain outside employment.

Exhibits Nos. 4 and 5 introduced at the hearing show the results of operations between Grass Valley and Colfax and between Grass Valley and Marysville for the year ending December 31, 1952. The recapitulation of these exhibits is shown in the margin. ⁽¹⁾

(1) Recapitulation of Exhibits Nos. 4 and 5

	<u>Between Grass Valley and Colfax</u>	<u>Between Grass Valley and Marysville</u>
Bus Miles Operated	11,764	4,884
Gross Revenue	\$ 2,116.03	\$ 205.11
Revenue per bus mile	.1799	.0436
Expense per bus mile	.3575	.3575
Loss per bus mile	.1776	.3139
Total Loss, 1952	2,089.29	533.09

The witness explained in some detail the various steps taken in the last few years to provide an adequate service, to reduce expenses as much as possible consistent with good operation and to induce further travel. When applicant acquired control of the operative rights involved only one round trip a day was being conducted. Soon thereafter, he increased the service between Grass Valley and Colfax to five round trips daily. This service was continued for more than one month and when it became apparent that insufficient traffic was being developed the trips were decreased to three round trips daily between these points, and since that time the service between Grass Valley and Colfax has been on the basis of one round trip daily, seven times a week, and two round trips daily between Nevada City, Grass Valley and Auburn.

The single daily round-trip schedule between Marysville and Grass Valley was increased to two round-trip schedules a day. Thereafter, in the fall of 1947 the witness reduced the service to one round trip because of insufficient use of the line. He stated that in the fall of 1951 the service between Grass Valley and Marysville was further reduced to one round trip a week as the revenue had dropped to less than 10 cents a mile and according to Exhibit No. 5, supra, is now shown to be less than 5 cents a mile.

The witness pointed out that the continuation of the operation in the manner that it is now being conducted without any allowance for managerial salaries will produce the following results (Exhibit No. 6):

Recapitulation of
1953 Profit and Loss Expectancy

	<u>Miles</u>	<u>Revenue</u>	<u>Expense</u>
Nevada City - Auburn	43,800	\$17,194.20	\$ 15,658.50
Grass Valley - Colfax	12,410	2,233.68	4,436.57
Grass Valley - Marysville	3,744	268.20	1,338.48
Total	59,954	\$19,696.08	\$ 21,433.55

Estimated Loss - \$1,737.47

It was his firm opinion that the financial condition of the applicant is such that it cannot continue its present operations under such circumstances. The basic fare of applicant is approximately 4 cents a mile and according to the witness any increase of the fare would be more than offset by a diminution of the use of the line. One of the major factors of the decline in the passenger traffic is an ever increasing use of the private automobile between the points involved and some decrease in the population of the City of Grass Valley as indicated by the United States census of 1950 compared with that of 1940. He stated that more than 25 per cent of round-trip tickets sold are used but one way. In his opinion the return trips were made by private automobiles. An origin and destination check of passenger traffic between Nevada City, Grass Valley and Colfax for the month of November 1952 shows the following:

<u>From</u>	<u>To</u>		<u>Totals</u>	<u>Averages</u>	
				<u>Daily</u>	<u>Trip</u>
Nevada City	Colfax	46			
Grass Valley	Colfax	113			
Colfax	Nevada City	35			
Colfax	Grass Valley	<u>63</u>	257	8.56	4.28
From, to or between points intermediate to Grass Valley and Colfax			<u>65</u>	2.16	1.83
Total passengers carried			<u>322</u>		

The witness testified that about 75 per cent of applicant's passenger traffic between Colfax and Grass Valley is interline traffic which would be able to utilize applicant's service to and from Grass Valley but transfer at Auburn instead of at Colfax, if the authority sought should be granted. The constantly increasing costs of materials, supplies and labor, and declining traffic for the last four or five years, have created a situation which is well nigh insurmountable for applicant, according to the witness.

Two witnesses testified in opposition to applicant's proposal to discontinue service between Grass Valley and Colfax. They reside at Union Hill about one and one-half miles easterly of Grass Valley. One stated that she is a widow and needs applicant's service to and from Grass Valley so that she could continue her weekly trips for shopping, visiting her dentist or doctor, and to attend to other personal business affairs. The other witness stated that she is unable to drive a car and uses applicant's service to Grass Valley four or five times a week for various purposes and makes the return journey with her husband, who is employed at Grass Valley. Both of these witnesses stated that without applicant's service they would be compelled to walk or to hire a taxicab for transportation.

After full consideration of all the evidence of record we find that public convenience and necessity no longer require passenger stage service between Grass Valley and Colfax and intermediate points, nor between Grass Valley and Marysville and intermediate points. In arriving at such conclusions we are not unmindful of the fact that some riders will be deprived of a needed service. However, this record conclusively shows that if applicant should be required to carry on all of its present service it cannot for long continue in operation. The record is clear that applicant has practiced every economy consistent with reasonable service and may be able to maintain its operations between Auburn, Grass Valley and Nevada City if relieved of its obligations to continue operating those routes which are not well patronized.

O R D E R

An application therefor having been filed, a public hearing having been held thereon, evidence having been adduced and the

Commission having found that public convenience and necessity no longer require the operations as set forth in the preceding opinion,

IT IS ORDERED:

(1) That Nevada County Bus Line is hereby authorized to discontinue passenger stage operations between Grass Valley and Colfax and intermediate points, and between Grass Valley and Marysville and intermediate points via Smartsville and via Camp Beale, subject to the provision that for a period of ten days prior to the discontinuance of service appropriate notices thereof shall be posted in all vehicles operating between all points.

(2) That the passenger stage operative rights created by Decision No. 29475 in Application No. 20928, Decision No. 38152 in Application No. 26181, and Decision No. 38218 in Application No. 26181 are hereby revoked and annulled.

(3) That the revocation of operative rights as provided for in paragraph (2) hereof shall not be construed to permit local passenger stage operations between Grass Valley and Nevada City and intermediate points.

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

Dated at San Francisco, California, this 16th day of June, 1953.

Commissioner.....Kennath Ratter....., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner.....Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

[Signature] President
[Signature]
[Signature]
Commissioners