

Decision No. 51320

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PIONEER TRANSIT COMPANY, a corpora-)
 tion dba Harbor Transit conducting)
 as sole owner certain automobile)
 passenger bus lines under the name) Application No. 36788
 of the Harbor Transit, to cease oper-)
 ations as of midnight March 31, 1955,)
 in the City of Oxnard and areas)
 adjacent thereto.)

Harry D. Hamilton and James E. Adams, for applicant
Joseph W. Goss, for City of Oxnard; Thomas E. Kane,
 for Downtown Businessmen's Association; Dean
Green, for Oxnard Elementary School District;
R. A. Wilson, for City of Port Hueneme; Edwin H.
Naumann, for St. John's Lutheran Day School;
 and Samuel E. Triola, for Triola and Marconi,
 interested parties.

O P I N I O N

Pioneer Transit Company, a California corporation, applicant herein, requests authority to discontinue its entire passenger stage operations in the City of Oxnard and vicinity and between Oxnard, on the one hand, and the City of Port Hueneme and Point Mugu, on the other hand.

A public hearing was held in Oxnard on March 28, 1955, before Examiner Mark V. Chiesa. Evidence, oral and documentary, having been adduced, the matter was submitted for decision.

The service began in September 1941 (Decision No. 34572) and has been in continuous operation to the present time. This applicant acquired the business in October, 1953 (Decision No. 49184).¹

1 Decisions affecting this operation are as follows:

<u>Operating Authority</u>	<u>Sale and Transfer</u>	<u>Fare Increase</u>
34572	35433	45452
35433	43657	50063
39591	49184	
43678		
44461		

Applicant's present fares were established by Decision No. 50063, dated May 18, 1954. The present basic fare is 12 cents cash, plus a 5-cent increment for each additional zone.

In addition to said passenger stage operation applicant is engaged in business at Oxnard as a radial highway common carrier, and other related activities, in association with Pioneer Truck and Storage Company, a radial highway common carrier, contract carrier, city carrier and household goods carrier.

As justification for the proposed discontinuance of the passenger stage operation, applicant alleges that it is financially impracticable to continue the business because of the losses experienced.

At the hearing applicant, by its manager, presented evidence in support of the application showing that excessive losses have been incurred. The record also shows that neither service changes nor a reasonable fare increase would materially improve the operating results.

Exhibit "A" filed with the application is a balance sheet of applicant's entire operation, as of December 31, 1954. It shows the following condition:

Total Assets	\$85,411.20	
Total Liabilities	<u>78,267.47</u>	
Net Worth		\$7,143.73
Represented by		
Capital Stock Outstanding	\$51,000.00	
Operating Deficit	<u>43,856.27</u>	\$7,143.73

Exhibit "B" is the operating statement of the passenger stage business. It shows the revenue and expenses for the month of December 1954 and the year 1954 to be as follows:

	<u>December 1954</u>	<u>1954 (12 Months)</u>
Total Revenue	\$ 4,283.69	\$ 52,955.68
Expenses	<u>6,159.70</u>	<u>68,216.59</u>
	<u>(1,872.01)</u>	<u>(15,260.91)</u>

(Red Figure)

Minor adjustments changed the indicated losses to \$1,850.51 and \$15,117.01, respectively.

Item	Applicant's		
	Book Record for 1954	PUC Staff Estimate 1954 : 1955	
Mileage	\$246,038	246,038	233,170
<u>Revenue</u>			
Passenger	\$ 44,870	\$ 44,870	\$ 43,580
Other	8,080	8,080	8,080
	<u>52,950</u>	<u>52,950</u>	<u>51,660</u>
<u>Expense</u>			
Maintenance	12,162	13,640	12,930
Transportation	33,311	30,510	29,640
Traffic	153	150	150
Insurance	7,386	5,380	5,130
Administration	7,635	6,310	6,310
Operating Rent	850	900	900
Depreciation	3,079	3,080	3,120
Operating Taxes	<u>3,640</u>	<u>7,190</u>	<u>6,850</u>
	<u>68,216</u>	<u>67,160</u>	<u>65,030</u>
Operating Ratio %	128.8%	126.8%	125.9%
Net Before Income Tax	<u>\$(15,266)</u>	<u>\$(14,210)</u>	<u>\$(13,370)</u>
Income Taxes	25	25	25
Net Income	<u>(15,291)</u>	<u>(14,235)</u>	<u>(13,395)</u>
Operating Ratio After Income Taxes %	128.9%	126.9%	125.9%
Rate Base	\$ -	\$ 13,840	\$ 10,730
Rate of Return %	-	-	-

(Red Figure)

The testimony of the staff engineer further disclosed that on the basis of an increase in fare from 12 cents to 15 cents the

estimated operating loss for 1955 would be approximately \$8,400, and that it would be necessary, based on the present service, to establish a 20-cent fare before revenue would equal expense.

There were no protestants although several witnesses, representing various groups or organizations, testified that the continuance of the bus service is necessary to meet the transportation requirements of the communities being served. The evidence, however, shows, and we find, that applicant has justified its request for a discontinuance of the operation. The application will be granted.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED, that Pioneer Transit Company, a corporation, be and it is hereby authorized to discontinue and abandon its passenger stage operations, hereinabove referred to, and all authority heretofore granted to applicant, or acquired by it from predecessors, is hereby revoked and annulled.

IT IS FURTHER ORDERED that, upon discontinuance and abandonment of its passenger stage operations, Pioneer Transit Company shall notify the Commission; and that all effective tariffs

and timetables governing such operations shall be canceled effective upon receipt of such notice.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 17th
day of APRIL, 1955.

John E. Mitchell
President

Justus S. Crane

Raymond W. Steiner

Michael J. Healy

Commissioners