

ORIGINALDecision No. 67762

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 EVELYN M. KNAPP and JOHN P. DEMETER,)
 copartners, doing business as)
 PENINSULA TRANSIT LINES, for certifi-)
 cate of public convenience and)
 necessity to operate passenger stage)
 service between Palo Alto, North)
 Palo Alto, San Carlos, Redwood City,)
 Atherton, Menlo Park, Woodside, and)
 Toyon Knolls.)

Application No. 46723
 (Filed June 15, 1964)

RE: Authority for schedule)
 changes on Routes A, B, E)
 and F in that area known as)
 Redwood City Division of)
 Peninsula Transit Lines under)
 General Order No. 98.)

Kenneth A. Johnson, for applicants.
Richard Gardella and James E. Neal, for
 the City of Redwood City, protestant.
Hilton H. Nichols, for the Commission
 staff.

O P I N I O N

Evelyn M. Knapp and John P. Demeter, doing business as Peninsula Transit Lines, request authority to reduce service on Routes A, B, E, and F in the Redwood City area.

A public hearing was held before Examiner Daly on July 23, 1964, at Redwood City and the matter was submitted.

Applicants have operated in Redwood City since 1949. All of the routes begin and end at the Southern Pacific Depot in Redwood City. Service is presently provided Monday through Friday by means of three 1945 buses. Because of decreasing patronage and increasing costs, applicants propose that Route A

be reduced from 11 round-trip schedules daily to 5 round trips; Route B be reduced from 13 round-trip schedules daily to 8 round trips; and that Routes E and F be reduced from 12 round-trip schedules daily to 8 round trips.

According to applicants the operations have experienced the following decline in patronage:

<u>Year</u>	<u>No. Passengers</u>	<u>No. Miles</u>
1956	540,000	315,000
1957	501,000	297,000
1959	255,000	154,000
1962	168,000	122,400
1963	114,000	122,400

At the present time applicants allege they are losing approximately \$62 per day on the Redwood City portion of their service. If authorized, the proposed reduction would enable applicants to eliminate one driver and result in an estimated savings in expenses of approximately \$55 per day with a corresponding loss in revenue of approximately \$20 per day.

After several years of negotiating, applicants entered into an agreement with the City of Redwood City whereby the city subsidized the operation to the extent of \$50 per day for a period of thirty days. The subsidy terminated in May of 1964, and has not been renewed.

The City of Redwood City protests any further reduction in service on the ground that its existing service is presently minimal. The City Manager of the City of Redwood City testified that existing service should be continued until such time as a newly formed Citizens' Committee on transportation has had an opportunity to make a study of the problems involved and to

formulate specific recommendations. The chairman of the Committee testified that none of the members have had any experience in the field of transportation but he expects to hold a public meeting on August 18, 1964, in an attempt to evaluate the public needs and requirements for transportation in Redwood City. He anticipated that a report would be ready for consideration by the City Council by October of 1964.

Two residents of the area spoke in protest to the reduction in service. One was a patron of the service and stated that further reduction in service would result in a hardship to herself and her husband because they do not own an automobile and rely upon the bus service.

Findings

After consideration the Commission finds that:

1. Applicants are presently rendering passenger stage service over specific routes in the City of Redwood City.
2. Said operations are being conducted at a loss.
3. The proposed reduction in service will result in a net saving to applicants of approximately \$35 per day.
4. The City of Redwood City authorized a 30-day subsidy of the operation at the rate of \$50 per day. The subsidy has terminated and the city is unwilling to commit itself to any further subsidy pending a report by a newly formed Citizens' Committee on transportation. The report is expected in October of 1964.

Conclusion

It would be unreasonable to expect small operators, such as the applicants herein, to continue to provide service at the

present level at a loss until such time as the City of Redwood City determines what, if any, assistance it will provide. The application should be granted.

ORDER

IT IS ORDERED that:

1. After the effective date hereof and on not less than five days' notice to the Commission and to the public, applicants may reduce service on Routes A, B, E, and F as herein proposed.

2. Within one hundred twenty days after the effective date hereof, applicants shall amend their timetables on file with the Commission to reflect the authority herein granted.

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

Dated at San Francisco, California, this 25th day of August, 1964.

Fredrick B. Holdhoff
President

George H. Grove
Commissioners

William J. Bennett
Commissioners