

Decision No. 72256

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SANTA BARBARA TRANSIT COMPANY, a )  
corporation, for authority to )  
abandon operation of its Common )  
Carrier Transit Routes Nos. 1, 2, 3, )  
4, 5, 6, and 7 in the City of Santa )  
Barbara, California, and vicinity. )

Application No. 49182  
(Filed March 3, 1967)

Gaylord J. Spreitz, for applicant.  
Robert K. Cutler, for County of Santa Barbara;  
Francis Sarguis and L. R. Pettijohn, for  
Santa Barbara Metropolitan Transit District;  
L. Dusmet, for University of California,  
Interested parties.  
Fred G. Ballenger, for the Commission staff.

O P I N I O N

This application was heard and submitted March 28, 1967, before Examiner Thompson at Santa Barbara. Notice of hearing was posted, published and served in accordance with the Commission's procedural rules.

Applicant is a passenger stage corporation conducting operations within and about the City of Santa Barbara pursuant to certificates of public convenience and necessity issued by the Commission in Decision No. 53442 in Application No. 37770, Decision No. 62077 in Case No. 7039, Decision No. 63956 in Application No. 44470, Decision No. 65902 in Application No. 45520 and Decision No. 68709 in Case No. 47257. Except for the transportation of school children within an area in and about Santa Barbara, authorized by Decision No. 68709, applicant seeks authority to terminate and abandon all of its passenger stage corporation operations. In addition to its passenger stage operations, applicant transports

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pupils or students under contract with public or private schools (see Section 226, Pub. Util. Code) and conducts operations as a charter-party carrier of passengers pursuant to a permit issued by the Commission. Those activities are not involved in this application.

Applicant presented evidence showing that for the year 1966 it lost \$13,233 in conducting the operations it proposes to abandon. During that year it received \$4,455 in the form of subsidy from the City of Santa Barbara. The city has ceased subsidizing applicant's operations.

The Santa Barbara Metropolitan Transit District was formed and established pursuant to the Santa Barbara Metropolitan Transit District Act of 1965 (Part 9, Pub. Util. Code). The routes applicant proposes to abandon are within the boundaries of the District.

Counsel for the County of Santa Barbara stated that it is the County's position that transit service is required in the area served by applicant and that there should be no interruption in public transportation service that might result from the cessation of operations by applicant prior to the time that service is provided by the District. The Board of Supervisors has entered into a joint-powers agreement with the District to enable the latter to institute service as quickly as possible. The County protests any discontinuance of service by applicant until the service by the District is inaugurated.

Counsel for the District stated that it is not yet ready or able to acquire its own buses and other equipment so as to inaugurate service in the manner it desires, i.e., with equipment owned by the District. Because of the emergency situation created by the intention of applicant to abandon service, the District has

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entered into negotiations with applicant whereby if the Commission authorizes the termination of operations by applicant the District, pursuant to its authority under Section 95455 of the Santa Barbara Metropolitan Transit District Act of 1965, will contract with applicant for the latter to operate, as an interim measure, the routes presently served by applicant. He stated that the general terms of such contract have been agreed upon by the District and applicant, but that the contract has not been executed. He stated that the District takes no position with respect to the instant application and has entered into the negotiations with applicant solely for the reason that a discontinuance or interruption of public transportation service may be avoided in the event the Commission grants this application.

The University of California opposes a discontinuance of service to and from the University. Counsel for the District pointed out that the University is within the boundaries of the District.

We find that:

1. The operations involved herein were conducted by applicant during 1966 at a substantial loss.
2. Future operations at present fares would result in a greater loss to applicant.
3. The fares maintained by applicant approach, if they are not equal to, the value of the service performed by applicant.
4. The financial condition of applicant, including its ability to generate working cash and ability to borrow funds, will not permit the operation by applicant for any considerable time in the future.

5. The routes and service proposed to be terminated and abandoned are within the boundaries and within the authority of the Santa Barbara Metropolitan Transit District.

6. Public convenience and necessity no longer require the operation by applicant of the service it proposes to terminate and abandon.

We conclude that applicant should be authorized to terminate and abandon the services involved herein on not less than five days' notice to the Commission and to the public, and that concurrently with said termination and abandonment of services the certificates of public convenience and necessity granted to applicant by the Commission should be revoked and in lieu thereof a new certificate should be issued restating the authority granted in Decision No. 68709 authorizing applicant to transport school children within a described area as a passenger stage corporation.

O R D E R

IT IS ORDERED that:

1. Santa Barbara Transit Company, a corporation, is authorized to discontinue, terminate and abandon the operation of Routes 1 through 7, inclusive, including Routes 8 and 9 as enlargements, extensions and additions of Routes 1 through 7.

2. A certificate of public convenience and necessity is granted to Santa Barbara Transit Company, a corporation, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, in the transportation of school children between the points and within the area particularly set forth in Appendix A attached hereto and made a part hereof.

3. In the exercise of the authority granted in paragraph 1 and in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. Applicant is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-A and insurance requirements of the Commission's General Order No. 101-B. Failure to comply with and observe the safety rules, or the provisions of General Orders Nos. 98-A or 101-B, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall discontinue the service as authorized in paragraph 1 hereof and shall establish the service authorized by paragraph 2 hereof, and file tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the discontinuance and abandonment of service authorized in paragraph 1 and with the establishment of the service authorized in paragraph 2.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98-A.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission.

and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

4. The certificate of public convenience and necessity granted in paragraph 2 of this order shall supersede the certificates of public convenience and necessity granted by Decisions Nos. 53442, 62077, 63956, 65902 and 68709, which certificates shall be revoked concurrently with the effective date of the tariff and timetable filings required by paragraph 3(b) hereof.

5. In addition to the tariff and timetable filings required by paragraph 3(b) hereof, applicant shall provide notice to the public of the date of the discontinuance and abandonment of service authorized in paragraph 1 hereof by:

- (a) Publication in newspapers of general circulation in the areas affected by such discontinuance and abandonment, at least once and not less than three days prior to the date of such termination of service.
- (b) Posting on the entrance door of the office of Santa Barbara Transit Company at 622 Anacapa Street, Santa Barbara, at least five days prior to the date of termination of service; said notice to remain in place to and including the date of such termination of service.

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

Dated at San Francisco, California, this 4<sup>th</sup> day of APRIL, 1967.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

To

DECISION NO. 72256

In

APPLICATION NO. 49182

Santa Barbara Transit Company, by the certificate of public convenience and necessity granted in the above-numbered decision, is authorized to transport school children between points and over routes within the following described area:

That area comprising the City of Santa Barbara and vicinity whose east boundary is Toro Canyon Road and U. S. Highway 101; the west boundary being Winchester Canyon Road and Hollister Avenue; the south boundary being the Pacific Ocean; and the north boundary being a line five miles north of U. S. Highway 101.

End of Appendix A

Revised by California Public Utilities Commission.

Decision No. 72256, Application No. 49182.