

ORIGINAL

Decision No. 81770

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of BAY RAPID TRANSIT COMPANY for
revocation of transit operating
rights on the Monterey Peninsula.

Application No. 53998
(Filed April 30, 1973)

Robert F. Lautze, for applicant.
Hugh Bayless, Chairman, for Joint Powers Agency for
Public Transportation on the Monterey Peninsula;
Dudley N. Lapham, City Manager, for the City of
Seaside; and John McNail, for the City of Monterey;
protestants.
Gary W. Bales and Thomas A. Drakes, for the City of
Pacific Grove; Charles W. Benson, Mayor, for the
City of Del Rey Oaks; and Roger Poyner, Attorney
at Law, for himself and as Supervisor of Monterey
County; interested parties.
Milton J. DeBarr and Sean A. Mahon, for the Commission
staff.

O P I N I O N

Bay Rapid Transit Company requests that its transit operating rights on the Monterey Peninsula be revoked. Public hearing was held before Examiner Porter in Monterey on May 31, 1973, on which date the matter was submitted.

Evidence was produced that beginning September 1, 1972 applicant, through the Joint Powers Agency representing the cities of the Monterey Peninsula and the county of Monterey, began receiving, and will continue to receive, a \$3,000 per month subsidy through September 30, 1973. Applicant now claims that the patronage of the bus service and the corresponding revenue are continually declining and that the \$3,000 per month subsidy previously agreed to is not sufficient for it to continue operating its local transit service.

The Transportation Division staff of the Commission has prepared a study showing applicant's estimated results of operations.

With an additional \$1,000 per month subsidy, over and above the \$3,000 per month presently being provided, the local transit operations show an estimated operating income before income taxes of \$416 for the period May 1 to September 30, 1973, inclusive.

A staff report shows continued decline in financial strength of the company, attributable to accelerating transit system losses. As evidenced by the income statements of December 31, 1972 and April 30, 1973, the company has not been able to stem substantial and growing losses in its transit operation. All indications point to future losses of increasing magnitude. The \$3,000 subsidy now being received has not been sufficient to offset increased expenses and decreasing revenues.

Protestants appeared and cited the need for the bus service for college students, the elderly, and those who come to Monterey City for medical services or employment.

After consideration the Commission finds that, while there is some need for the service, it is obvious that such need without an additional subsidy cannot support the service and concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. On September 25, 1973 and on not less than ten days' notice to the Commission and the public, Bay Rapid Transit Company may discontinue its passenger stage service.

2. All tariffs and timetables presently on file with this Commission in applicant's name are canceled.

3. The operative rights authorized by Decision No. 46911 dated March 25, 1952 in Application No. 33045 are revoked.

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

Dated at San Francisco, California, this 21st
day of AUGUST, 1973.

Vernon L. Sturgeon
President
William A. Symons
William A. Symons
William A. Symons
William A. Symons
Commissioners

Commissioner D. W. Holmes, being
necessarily absent, did not participate
in the disposition of this proceeding.