

JUL 11 1988

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Decision 88 97 039 JUL 8 1988

ORIGINAL

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
LAKE COUNTY TRANSIT, INC. ) Application 88-03-017  
for authority to abandon operations ) (Filed March 8, 1988)  
over Routes 9, 9a, 10, and 10a in )  
PSC-1099. )

OPINION

Lake County Transit, Inc. (LCT) is a passenger stage corporation authorized by a certificate of public convenience and necessity (PSC-1099) to provide bus service within and near Lake County. The certificate also authorizes LCT to provide service between Lakeport, on the one hand, and Sacramento Metropolitan Airport (SMF) and San Francisco International Airport (SFO), on the other hand, as follows:

Route 9: Commencing at Lakeport; then along State Highway 29, State Highway 53, stopping at Lower Lake and Clearlake, continuing along State Highway 53, State Highway 20, Interstate Highway 5, then along the most appropriate streets to Sacramento Metropolitan Airport (SMF).

Route 9a: Alternate to Route 9  
Commencing at Lakeport; then along State Highway 29, State Highway 53, stopping at Lower Lake and Clearlake, continuing along State Highway 53, State Highway 20, Interstate Highway 5, stopping at Williams as an on-call stop, continuing along Interstate Highway 5, then along the most appropriate streets to Sacramento Metropolitan Airport (SMF).

Route 10: Commencing at Lakeport; then along State Highway 29, State Highway 53 to Clearlake and Lower Lake, returning to State Highway 29, with on-call stops at Calistoga, St. Helena, and Yountville, continuing along State Highway 29, Interstate Highway 80, U.S. Highway 101, then along the most appropriate streets to San Francisco International Airport (SFO).

Route 10a: Alternate to Route 10  
Commencing at Lakeport; then along State Highway 29, State Highway 53 to Clearlake and Lower Lake, returning to State Highway 29, with on-call stops at Middletown, Calistoga, St. Helena, and Yountville, continuing along State Highway 29, Interstate Highway 80, U.S. Highway 101, then along the most appropriate streets to San Francisco International Airport (SFO).

By this application LCT seeks authority to abandon Routes 9, 9a, 10, and 10a (the airport routes).

Applicant states that authority to operate the airport routes was granted by Decision (D.) 86-05-089 in Application (A.) 86-01-002. Routes 10 and 10a were later modified by D.87-10-065 in A.87-07-031, to include on-call service to Calistoga, St. Helena and Yountville.

According to LCT, service on the airport routes has proved to be a financial disaster. These routes generated revenues of \$56,731.14 in 1987, while costing applicant \$165,744.40 to operate. Losses were \$30,757.31 on Routes 9 and 9a and \$78,255.95 on Routes 10 and 10a, or a total of \$109,013.26. Total 1987 ridership on the airport routes was 2,942. LCT has determined that the 1987 break-even ridership was 6,906. On a daily basis, the average ridership was 8, but the average needed to break even was 19.

Based on the lack of public interest in utilizing the service available on the airport routes, as well the financial losses it experienced in 1987, LCT maintains that service abandonment is appropriate. Alternatives such as reduced service levels and shortened routes involving inter-connections with other carriers are neither economically nor operationally feasible. LCT concludes that public convenience and necessity do not require continuation of service on the airport routes, and that its only reasonable course of action is to seek approval to terminate the service. Continuing financial losses on these routes could destroy it as a viable company.

The application notes that alternative passenger stage service is available from Greyhound, which provides daily service with SMF and SFO connections to Lakeport, Kelseyville, Lower Lake and Calistoga. Additionally, airport shuttle service is available between Ukiah, Santa Rosa, and Napa, on the one hand, and SFO on the other hand.

The Rail/Transit Policy and Planning staff of the Transportation Division reviewed the application. Staff notes that LCT proposes no changes in its authorized Routes 1 through 8. Based on its review, staff recommends that the application be granted.

LCT provided notice of the application to the involved airports, the Metropolitan Transportation Commission, and to each involved city and county. In response to a staff request, applicant's attorney advised, by letter dated March 29, 1988, that notice of intention to abandon the service was provided to LCT's passengers by a prominent display in the vehicles. Notice of the filing of the application also appeared in the Daily Transportation Calendar dated March 15, 1988. No protests or communications concerning the application have been received.

Findings of Fact

1. LCT seeks authority to abandon passenger stage service between Lakeport and SMF and intermediate points, and between Lakeport and SFO and intermediate points.
2. LCT experienced 1987 financial losses which total to \$109,013.26 by providing service on the airport routes.
3. The total number of passengers carried on the airport routes in 1987 was 2,942.
4. The total number of passengers required to avoid financial losses on the airport routes in 1987 was 6,906.
5. No changes are proposed in Routes 1 through 8.
6. Losses from continuing service on the airport routes threaten LCT's existence as a viable company, and therefore the continuation of service on Routes 1 through 8.
7. There are no protests to the application.

Conclusions of Law

1. Public convenience and necessity no longer require LCT to provide passenger stage service on Routes 9, 9a, 10, and 10a.
2. The application should be granted.
3. Since there are no protests, and LCT is experiencing financial losses which threaten its remaining passenger stage operations, the order should be effective on the day it is signed. Tariff and timetable changes should be allowed on five days' notice to the Commission and the public.
4. A public hearing is not necessary.

ORDER

**IT IS ORDERED that:**

1. After this order becomes effective and on not less than 5 days' notice to the Commission and the public, Lake County Transit, Inc. may discontinue its passenger stage service between Lakeport

and Sacramento Metropolitan Airport and between Lakeport and San Francisco International Airport.

2. Tariffs and timetables covering the discontinued service will be canceled and new tariff and timetable filings shall be made to be effective on the date the service is discontinued.

3. Appendix A of Decision 91152, as amended, is further amended by replacing Third Revised Page 3 and Original Page 4 with Fourth Revised Page 3 and First Revised Page 4 (attached).


This order is effective today.

Dated July 8, 1988, at San Francisco, California.

STANLEY W. HULETT  
President  
DONALD VIAL  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Frederick R. Duda,  
being necessarily absent, did not  
participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Weissert, Executive Director

AS

Appendix A  
(Dec. 91152)

LAKE COUNTY TRANSIT, INC.  
(PSC-1099)

Fourth Revised Page 3  
Cancels  
Third Revised Page 3

SECTION 2. ROUTE DESCRIPTIONS. (Continued)

7. Commencing at Clearlake Highlands P.O.; then along State Highway 53 and State Highway 20 to Lucerne, California, including Clearlake Oaks, Glenhaven, Kono Tayee, Lucerne.
8. Commencing at Clearlake Highlands P.O.; then along Lakeshore Blvd. and State Highway 53 to Redbud Hospital, then along State Highway 53 to Lower Lake, and then along State Highway 29 to Lakeport P.O.
- \*9. Deleted
- \*9a. Deleted
- \*10. Deleted

\*Revised by California Public Utilities Commission.

Decision 88-07-039, Application 88-03-017.

Appendix A  
(Dec. 91152)

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A.88-03-017 MSW/rsr

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