

ORIGINAL

Decision No. 87831 SEP 7 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Application of Mark IV)
 Charter Lines, Inc. for authority to)
 abandon Commuter Route #1, between)
 Trancas-Malibu areas and McDonnell)
 Douglas plant, Huntington Beach,)
 California)

Application No. 57140
 (Filed March 3, 1977)

O P I N I O N

By Decision No. 80503, dated September 19, 1972, Mark IV Charter Lines, Inc. was originally granted a certificate of public convenience and necessity authorizing operations as a passenger stage corporation between points in Southern California and the McDonnell-Douglas Huntington Beach Plant. Among the schedules authorized for service was one daily round trip from the Trancas-Malibu area, identified as Route 1. Said route commenced at Pacific Coast Highway and Trancas Canyon Road (Trancas) and served several intermediate pickup points along Pacific Coast Highway. By this application authority is sought to discontinue service along Route 1 because of lack of patronage.

Applicant affirms that it presently transports, on the average, eight to ten persons daily along this route.^{1/} Applicant notes that the current operation of Route 1 has been combined with a second section of its Santa Monica route (Route 6) to traverse a daily total of 65 one-way live miles for the joint route.^{2/} Applicant maintains that the combined revenues earned do not cover

^{1/} Applicant points out that in 1972 Route 1 carried approximately 36 daily passengers. With the gradual curtailment of the aerospace program and especially since the closure of the Santa Monica plant of McDonnell-Douglas, passenger counts have dropped accordingly.

^{2/} Of this total, 37 one-way live miles would continue as Route 6, while 28 one-way live miles, sought for abandonment as Route 1, would be cut.

the additional 112 round trip miles required to serve the portion of the combined route identified as Route 1.^{3/} It further alleges that the affected passengers would not be stranded if Route 1 were to cease, but that they could either use the facilities of Southern California Rapid Transit District (SCRTD) to interline with Mark IV at Santa Monica or alternatively could form car pools.

The Commission staff conducted its own investigation of the Malibu operation and determined that approximately 10-12 passengers originate with regularity at points between Trancas Canyon and Santa Monica.^{4/} Staff's cost projections estimate losses for the Trancas/Malibu portion of joint Route 1/6 at \$14.71 per day or approximately \$3,700.00 per year, based on projections of the actual operations of 50 weeks per year.^{5/}

Concerning its overall bus operations, the 1976 annual report for Mark IV showed a net operating income of \$14,084 and a carrier operating ratio of 99.12%. Needless to say, the carrier is prudent in seeking steps to improve its financial picture.

Applicant is confident, if this application is granted, that it can generate new traffic through an advertising program in the Santa Monica area to replace any empty seats left by Malibu riders diverted to alternative transportation.

3/ Applicant bases its operating costs on 28 one-way miles from Trancas to Ocean and Bundy in Santa Monica (Santa Monica), the present origin point of Route 6, Section 2. Applicant's alleged 112 miles for service of Route 1 points include 56 live miles and 56 deadhead miles. Staff test runs concluded that the actual distances are 24 one way miles, or 96 total daily miles.

4/ Traffic counts were made on the following dates: February 23, 1977 (11 passengers); March 23, 1977 (11 passengers); March 30, 1977 (10 passengers); April 14, 1977 (10 passengers). Applicant transports approximately 25 passengers daily from Route 6 pickup points, consequently carries aggregate loads of 35-36 passengers daily for the combined Route 1/6.

5/ Carrier projected losses were \$20.91 daily or \$5,227.50 per annum for the Trancas/Malibu service.

Applicant has not deemed it practical to employ such advertising in the Trancas/Malibu area to attempt to build up Route 1 ridership because of the relative population sparseness there and because of steadily decreasing employment at the McDonnell-Douglas plant, Huntington Beach, among Trancas-Malibu area residents. Applicant has agreed not to further curtail its remaining Santa Monica-Huntington Beach service for at least one year and will, if necessary, combine remaining riders with other existing routes.

The application was listed on the Commission's Daily Calendar of March 14, 1977. Twelve letter protests from, apparently, all Route 1 riders were received by the Commission staff on varying dates between November 22, 1976 and February 27, 1977. The Transportation Division has reviewed the application and these letter protests and recommends, in spite of the opposition, that applicant's request be granted by ex parte order.

The Commission staff discussed with members of SCRTD's planning department the possibilities of a schedule adjustment for the District's Trancas-Santa Monica service in the event of the abandonment of Mark IV's Route 1. It was desired to establish an interline connection between the District's Trancas-Santa Monica morning and evening schedules and Mark IV's remaining Route 6 between Santa Monica and Huntington Beach. The matter was referred to SCRTD's New Services Review Board and the request for the schedule change there denied.^{6/}

^{6/} SCRTD's Services Review Board determined that the cost increase for provision of this service would be approximately \$46.00 per day or \$11,730 annually, and due to the minimum number of potential passengers involved, the request was subsequently denied.

Though an SCRTD interline transfer will not be possible at Santa Monica in the foreseeable future, there are various possibilities for carpooling from the Malibu area, including Commuter Transportation Services, Inc. (Commuter Computer). Clearly, public necessity does not require applicant's service, as no rider need be stranded. It is therefore concluded that a public hearing is not necessary.

F I N D I N G S

1. Applicant has provided service along its Route 1 between Trancas Canyon and Huntington Beach since 1972 but ridership has dropped to a level at which expenses exceed passenger revenue. Applicant has presently combined Route 1 service with Route 6 in an attempt to minimize losses but, nonetheless, stands to lose approximately \$3,700 per year for the operation if forced to continue the service of Route 1.

2. The 1976 annual report for Mark IV showed a net operating income of \$14,084 and a carrier operating ratio of 99.12% for overall bus operations.

3. Though 12 letter protests were received by the Commission staff alleging a need for applicant's continued service, staff traffic counts revealed no more than 11 daily riders and, consequently, said letters are insufficient to justify a continuation of applicant's service.

4. Present riders can seek various possibilities for carpooling from the Malibu area, including Commuter Transportation Services, Inc. (Commuter Computer) and need not be stranded when Route 1 points are abandoned.

5. Applicant has agreed not to further curtail service of its Santa Monica-Huntington Beach operations for at least one year and will presently accommodate all passengers from Santa Monica pickup points.

6. A public hearing is not necessary.

7. It can be seen with certainty that there is no possibility that this discontinuance may have a significant effect on the environment.

C O N C L U S I O N S

1. Public convenience and necessity does not require a continuance of applicant's Route 1.

2. Public convenience and necessity does not warrant further abandonment of service in the Santa Monica area at the present time.

3. Applicant should be allowed to discontinue operations of Route 1 between Trancas and Santa Monica for the service of passengers to or from Huntington Beach but should continue providing service between Santa Monica and Huntington Beach.

O R D E R

IT IS ORDERED that:

1. After the effective date and subject to Ordering Paragraph 3 hereof, Mark IV Charter Lines, Inc., a corporation, may discontinue service as a passenger stage corporation on Route 1 but shall continue to serve its other routes, subject to all the limitations and restrictions set forth in the certificate granted by Decision No. 83627, and in particular subject to the provisions set forth in Section 1 of Appendix A thereof.

2. Appendix A of Decision No. 83627 is further amended by incorporating First Revised Page 2, attached hereto in revision of Original Page 2; First Revised Page 3, attached hereto in revision of Original Page 3; and First Revised Page 5, attached hereto in revision of Original Page 5.

3. Within sixty days after the effective date hereof and on not less than five days' notice to the Commission and to the public, applicant shall amend its tariffs and timetables presently on file with this Commission to reflect the authority herein granted.

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

Dated at San Francisco, California, this 7th day of SEPTEMBER, 1977.

I abstain
Robert Butwinich

President
William S. Squire, Jr.

Richard D. Howell

Paul J. DeLoach
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Appendix A
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MARK IV CHARTER LINES, INC.

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Issued by California Public Utilities Commission.

* Deleted by Decision No. 87831, Application No. 57140.

Appendix A
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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

The certificate hereinafter noted supersedes all operative authority heretofore granted to Mark IV Charter Lines, Inc., or its predecessors.

Mark IV Charter Lines, Inc., by this certificate of public convenience and necessity, is authorized to transport passengers between certain points in Los Angeles County, on the one hand, and the McDonnell-Douglas Huntington Beach Plant, on the other hand; and between certain points in Los Angeles, San Bernardino, Orange, and Ventura Counties, on the one hand, and the Mammoth Mountain Ski Resort, on the other hand, over and along the routes hereinafter described, subject, however, to the authority of this Commission to change or modify said routes at any time and subject to the following provisions:

- (a) No passenger shall be transported over Routes *, 2, 3, or 6 who does not have as either point of origin or point of destination the McDonnell-Douglas Plant in Huntington Beach, and who is not an employee of McDonnell Douglas.
- (b) No passenger shall be transported over Routes 7, 8, 9 or 10 who does not have as either point of origin or point of destination the Mammoth Mountain Ski Resort.
- (c) Service on Routes 7, 8, 9, and 10 shall be operated on a round-trip schedule leaving Fridays and returning from the Mammoth Mountain Ski Resort on Sunday evenings during the California winter ski season only.
- (d) On Routes 7, 8, 9, and 10, no passenger shall be loaded or discharged except at the indicated bus stops or at the Mammoth Mountain Ski Resort.

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*Deleted by Decision No. 87831, Application No. 57140

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Appendix A
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SECTION 2. ROUTE DESCRIPTIONS

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ROUTE 2 - Palms/McDonnell-Douglas (Huntington Beach)

Beginning at Overland Avenue and National Boulevard; thence along National Boulevard, San Diego Freeway, La Tijera Boulevard, Osage, San Diego Freeway, Springdale Street, Bolsa Avenue, and Able Lane to McDonnell-Douglas Plant, Huntington Beach. Returning by reverse of above route.

ROUTE 3 - Culver City/McDonnell-Douglas (Huntington Beach)

Beginning at Venice Boulevard and La Cienega Boulevard; thence along Venice Boulevard, Lincoln Boulevard, Culver Boulevard, San Diego Freeway, Springdale Street, Bolsa Avenue, and Able Lane to McDonnell-Douglas Plant, Huntington Beach. Returning by reverse of above route.

ROUTE 6 - Santa Monica/McDonnell-Douglas (Huntington Beach)

Beginning at Sixth Street and Washington Boulevard, Santa Monica, then via Sixth Street, Montana Street, Twenty-Sixth Street, Wilshire Boulevard, San Diego Freeway, Springdale Street, Bolsa Avenue, and Able Lane to McDonnell-Douglas Plant, Huntington Beach. Return via reverse of above route.

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