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Decision No. 90516

JUL 3 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Petition of
 ROESCH LINES, INC., a California
 corporation, for revocation of its
 Certificate of Public Convenience
 and Necessity to operate passenger
 stage service.

Application No. 58843
 (Filed April 30, 1979)

O P I N I O N

By this application Roesch Lines, Inc., (Roesch) is seeking revocation of the Riverside-Hemet certificate which it acquired in September 1973 from a proprietorship known as Hemet Bus Lines.^{1/} The route presently operated commences at the Riverside Greyhound station and travels primarily along State Highway 60 and Gilman Springs Road to Hemet with intermediate stops at Sunnymead, Gilman Springs, and San Jacinto. Two round trips are operated on weekdays, one round trip on Saturdays, and one round trip on Sundays.

Applicant alleges:

- (1) that its operations are no longer profitable ^{2/}
- (2) that Riverside Transit Agency (RTA) is starting its own Riverside - Hemet service on June 1, 1979, with a \$1.00 round-trip fare, so that current Roesch passengers are likely to be diverted to RTA.

^{1/} Decision No. 81828, dated September 5, 1973, authorized transfer of the certificate from Stanley A. Cross, doing business as Hemet Bus Lines, to Roesch Lines, Inc. The previous company under the aforementioned Mr. S.A. Cross was acquired from his father, Mr. P. C. Cross; the Crosses having operated the service continuously since 1939. Before the Crosses the continuous service had been operated by several predecessors including Motor Transit Co. and Mr. R. B. Cregar, the latter being the operator as of and prior to May 1, 1917.

^{2/} In the application Roesch points out that in 1978 the cost of providing the service at the \$4.10 round-trip fare was double that of the revenue received. Specifically, the company lost \$22,028.70 for the Riverside - Hemet service in 1978. Staff estimates that the carrier loses approximately \$80 per day for this operation (\$140 in expenses less \$60 in passenger revenue).

The 1978 Annual Report for Roesch Lines, Inc. shows that 10,988 riders used the Hemet service in 1978, an average of 8.8 passengers per one-way trip.

On May 16, the Commission staff spoke with the general manager of RTA and learned that RTA did plan to offer 2 new routes about July 1, 1979 ^{3/}: from San Jacinto/Hemet to Sun City and from Sun City to the Tyler Mall. By riding each of the new lines and then by transferring to RTA's service from Tyler Mall to downtown Riverside, one will then be able to travel by public transit from San Jacinto/Hemet to Riverside. The new services are part of an 18-month experimental program, funded partly by federal Department of Transportation (UMTA) monies and partly by state (CALTRANS) funds.

A spokesperson for CALTRANS expressed an interest to our staff in considering Roesch Lines, Inc. for special federal subsidies earmarked for rural operators.^{4/} It would take several months, however, to implement the program.

~~It is regrettable and contrary to public policy that the private carrier was not considered for the use of public funds before a new operator was funded to inaugurate a similar service.~~ *JS*
Under the circumstances, the private carrier should not be expected to continue operations and to incur further losses in competition with a subsidized operation. The ensuing order will provide for temporary suspension of passenger-stage operations to allow

3/ A. 58843(Page 2) stated that RTA service would start June 1.

4/ Section 18 of the Urban Mass Transportation Act.

CALTRANS to negotiate with Roesch Lines for possibly subsidizing continued Riverside - Hemet express bus service. The ensuing order will also provide for cancellation of the passenger-stage certificate if no agreement has been reached and Roesch operations have not resumed in 90 days.

The application was listed on the Commission's Daily Calendar of May 7, 1979. At the request of the Commission staff, copies of the application were furnished to the cities of Riverside, Hemet, and San Jacinto, to the Riverside County Transportation Commission, and to the Riverside Transit Agency. There were no protests or requests for public hearing and, therefore, the sought request is being granted by ex parte order.

F I N D I N G S

1. Applicant, Roesch Lines, Inc. has provided service between Riverside and Hemet since September 1973, when it acquired an enterprise known as Hemet Bus Lines.
2. Between Hemet and Riverside, applicant presently operates two round trips on weekdays, one round trip on Saturdays, and one round trip on Sundays, and charges \$4.10 round trip.
3. Riverside Transit Agency (RTA) is starting its own Riverside - Hemet service by transfer arrangements with two newly funded experimental routes (San Jacinto/Hemet - Sun City and Sun City - Tyler Mall, Riverside) and plans to assess \$1.00 per round trip for the service.
4. The 1978 income statement appended to the application shows a net loss of \$22,028.70 for the Riverside - Hemet service by Roesch Lines.

5. Applicant can be expected to undergo further, more severe losses if forced to compete against a subsidized transit operator.

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

In view of the establishment by a public agency of subsidized transportation between Riverside and Hemet, public convenience and necessity do not require a continuance of service between these points by Roesch Lines, Inc.

O R D E R

IT IS ORDERED that:

1. Service between Riverside and Hemet, authorized by Decision No. 81828, may be suspended concurrent with the establishment of service by Riverside Transit Agency or 30 days after the effective date of this order, whichever comes sooner.

2. The certificate of public convenience and necessity to operate as a passenger stage corporation, issued by Decision No. 81828, shall be revoked 90 days after the effective date of this order unless, at that time, service has been resumed.

A. 58843 *

The effective date of this order shall be the date hereof to accommodate the provisions of Ordering Paragraph 1.

Dated at San Francisco, California, this 3rd day of JULY, 1979. /

John E. Byrne
President

George L. Stevenson

Richard D. Hoyle

Alvin J. Sedwick

Edward J. ...
Commissioners