Docision No. <u>/ 39/3</u>_____

Defondent.

ENFORE THE RAILROAD COLLISSION OF THE STATE OF CALIFORNIA City of San Bernardino. a Municipal Corporation. Complainant. VS. Pacific Electric Railway Company. a Corporation.

Wm. Gathrie, for the City of San Bernardine M. O. Hurt, for the City of Colton C. W. Cornell, for Pacific Electric Reilway Company.

SHORE, COLLISSIONER:

OPINION

Complainant, the City of San Bernardino. alleges that the Pacific Electric Railway Company. hereinafter referred to as the defendant. in the operation of its street car and interurban services between the cities of San Bernardino and Colton. via Mt. Vernon Avenue in San Bernardino and via La Cadena Avenue in Colton, publishes and collects fares discriminatory to the city of San Bernardino.

The gravemen of the complaint is that the present 9 cent fare to the territory south of Mill Street, annexed to the City of San Bernardino January 22,1923 and known as West Urbita

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Annex, is unjust, unreasonable and discriminatory, inasmuch as there is a 6 cent fare from all of the West Urbita district to Colton, and that the distance traveled to Colton under the 6 cent fare is greater than the distance to San Bernardino, where the 9 cent fare is now in effect. Complainant seeks an order changing the present San Bernardino 6 cent fare limit, now terminating at Mill Street to the extreme southerly limit of the city of San Bernardino, a point 2640 feet south of Mill Street.

Notwithstanding the fact that publicity was given to the proceeding, there were no witnesses who actually travel in the territory, the testimony received being that presented by the city authorities of San Bernardino and of the witnesses for the defendant. The city of Colton entered an appearance, but presented no testimony.

The record is not as satisfactory as the Commission would desire, but under the circumstances it will be accepted as sufficient to straighten out the controversy.

The territory adjacent to Mill Street, now in the city of San Bernardino, is sparsely inhabited, but the few houses in the annexed territory are all located between Mill Street and Esperanza Street, 600 feet south of Mill Street. An exhibit giving travel check for four days in July indicates that very few passengers are carried and that of those moving a substantial percontage are employees of the defendant traveling on free transportation.

The defendant presented certain testimony and exhibits dealing with a check of the passengers handled and the operating revenue and expenses of the San Bernardino local lines. The intent of the exhibits was to show that after the payment of oper-

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ating expenses, taxes and depreciation there was not sufficient reserve to pay interest on investment and that the transportation was being furnished at a loss. It was stated, however, that a change in the fare-breaking point to a location south of Mill Street would have no material effect upon gross revenue and the carrier, while not approving any suggested change because of the possible effect such adjustment might have on the fares of the future, did not interpose any strong objections to an adjustment satisfactory to the complainant.

After consideration, I do not believe that complainant has justified the contention that the 6 cent fare breaking point should be extended south 2640 feet to include all of the newly annexed territory of the city of San Bernardino. but I am of the opinion that the city of San Bernardino is discriminated against in favor of Colton under the present fare adjustment, and that a just and reasonable fare-breaking point for the six (6) cont fare would be at Esperanza Street, a point some 500 feet south of Mill Street.

I submit the following order:

O R D E R

The city of San Bernardino, having filed a complaint with this Commission attacking as unjust, unreasonable and discriminatory the nine (9) cent passenger fare between San Bernardino and the territory south of Mill Street, known as the West Urbita Annex, all in the city of San Bernardino, a regular hearing

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having been hold, and the adjustment having been found to be discriminatory,

IT IS HEREBY ORDERED that the Pacific Electric . Railway Company.within twenty (20) days from the date hereof. publish and file a tariff establishing a fare of Six (6) cents between the city of San Bernardino and Esperanza Street. a point approximately 600 feet south of Mill Street. all in the city of San Bernardino.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this $\frac{1}{\sqrt{2}}$ day of August, 1924.

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