

ORIGINAL

Decision No. 18005

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Motor Transit Company for an)
Order Permitting the Revision of)
Passenger Fares on its Los Angeles-)
Downey Line and on the Line of the)
Dillingham Transportation Company,)
operated by applicant under lease.)

APPLICATION NO. 11455

Herbert W. Kidd, Esq., Attorney for Applicant.

BY THE COMMISSION:

OPINION ON REHEARING

This proceeding was reopened for the purpose of further hearing with respect to the proposed adjustment of the one way, round trip, 10-ride and 30-ride passenger fares applicable between points on applicant's line extending from Los Angeles to Downey, and on the line of the Dillingham Transportation Company extending from Pasadena to Long Beach. The latter line was originally operated under a lease arrangement, but subsequently was made a part of Motor Transit System under authority of the Commission in Applications Nos. 10698 and 10710.

By our order of January 22, 1926, Decision No. 15893, we authorized applicant to establish between Los Angeles and

County Farm a one way fare of 40 cents, round trip 70 cents, 10-ride \$2.80, and 30-ride \$7.20; between Pasadena and Long Beach, via Mountain View Heights, a one way fare of 75 cents, round trip \$1.30, 10-ride \$5.25, 30-ride \$13.50; between Pasadena and Long Beach via Alhambra, El Monte, Whittier and Rivera and via Alhambra, Montebella, Whittier and Los Nietos, a one way fare of \$1.00, round trip \$1.70, 10-ride \$7.00 and 30-ride \$18.00. At the intermediate points we authorized one way fares based on $2\frac{1}{2}$ cents per mile; round trip fares 85 per cent of two one way fares; 10-ride commutation 70 per cent of 10 one way fares and 30-ride commutation 60 per cent of the 30 one way fares. In computing the fares authority was given to dispose of fractions, as follows: Amounts less than $2\frac{1}{2}$ cents will be dropped; amounts $2\frac{1}{2}$ cents or more but less than $7\frac{1}{2}$ cents will be stated as 5 cents, and amounts $7\frac{1}{2}$ cents or more but less than 10 cents will be stated as 10 cents.

In the petition for rehearing filed October 1, 1926, it is alleged the volume of the fares prescribed by the Commission, particularly at the intermediate points, is inadequate and insufficient to defray the actual out-of-pocket costs of operation, and authority is herein sought to establish the fares set forth in Exhibits A-1 to A-6 attached to the petition in lieu of the fares authorized by Decision No. 15893, supra.

A rehearing was held before Examiner Geary at Los Angeles December 9, 1926 and at that time additional evidence and testimony were submitted. Based on this more comprehensive record our order in the original proceeding will be modified.

The one way fares proposed in the petition for rehearing

are predicated on the basis prescribed by the Commission in the original order, i.e. $2\frac{1}{2}$ cents per mile. The one exception is the fare between Pasadena and Long Beach via Mountain View Heights and Bandini, where applicant now proposes an 80 cent fare in lieu of the 75 cent fare authorized. The actual distance between Long Beach and Pasadena is 33.1 miles, which on a basis of $2\frac{1}{2}$ cents per mile would produce a fare of 85 cents, or 5 cents more than now proposed.

Likewise, the round trip and 30-ride commutation fares proposed are the same as those authorized by the Commission, namely, 85 per cent of two one-way fares and 60 per cent of 30 one-way fares, respectively.

The proposed 10-ride commutation fares are predicated on 75 per cent of 10 one-way fares instead of 70 per cent as authorized by the Commission. It is alleged the latter basis was in error and will result in the establishment of non-compensatory fares.

The fares now proposed, based on the present amount of traffic, will not produce sufficient revenue to cover the actual out-of-pocket cost of operations, including depreciation and taxes. On the Los Angeles-Downey Line the operating revenue, under the present fares, for the year ending June 30, 1926, was 19.2 cents per car mile, with operating expenses of 25.7 cents per car mile, a loss of 6.5 cents per car mile. For the Pasadena-Long Beach Line the operating revenue during the same period was 16.7 cents per car mile, the per car mile costs 25.7 cents, a loss of 9 cents per car mile. Under the proposed fares the car mile revenue via the Downey Line is estimated at

19.7 cents and via the Pasadena-Long Beach Line at 20.9 cents.

Applicant's general manager testified that the fares sought are not expected to produce sufficient revenue to meet actual operating expenses at this time, but that by the establishment of the 10-ride and 30-ride commutation fares, not now maintained, a material increase in operating revenue would be expected and that with further economies in the operation of the lines the properties would attain a paying basis.

After consideration of all the facts of record we are of the opinion and find that applicant should be authorized to establish the fares set forth in Exhibits A-1 to A-6 attached to the petition for rehearing, filed with the Commission October 1, 1926.

O R D E R

A rehearing having been held in the above entitled proceeding, full investigation of the matters and things involved having been had and basing this order on the findings of fact and the conclusions contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that our Order entered on January 22, 1926, in the above entitled proceeding be and it hereby is modified and amended to read as follows:

"IT IS HEREBY ORDERED that applicant, Motor Transit Company, be and it is hereby authorized to establish on fifteen (15) days' notice to the Commission and to the public between Los Angeles, County Farm and points intermediate thereto, and between Pasadena, Long Beach and points intermediate thereto, one way, round trip, 10-ride and 30-ride passenger fares as specifically set forth in Exhibits A-1 to A-6, inclusive, and as amended, attached to and made a part of the petition for rehearing filed with the Commission October 1, 1926."

IT IS HEREBY FURTHER ORDERED that in all other respects the Commission's order entered on January 22, 1926 in the above entitled proceeding shall remain in full force and effect.

Dated at San Francisco, California, this 14th day of February, 1927.

Emmanuel
W. B. Rindge
C. Henry
Leon White

Commissioners.