

Decision No. 19202

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
SANTA BARBARA AND SUBURBAN RAILWAY
COMPANY for an order authorizing
Santa Barbara and Suburban Railway
Company to make effective on its
street railway system in the City
of Santa Barbara, California, certain
changes in its rates.)

) Application No. 13964.

Roy V. Reppy and B. F. Woodard, and Griffith
and Thornburgh, for Applicant.

S. J. Bingham, City Attorney, and T. R. Finley,
Mayor, for City of Santa Barbara, Pro-
testant.

CARR, COMMISSIONER:

O P I N I O N

Santa Barbara and Suburban Railway Company applies for increased rates. Public hearings have been had on the application and the matter is now ready for decision.

The present rates of this Company do not yield sufficient revenue to meet the out-of-pocket costs of operating its rail and bus lines, and this without making any allowance for depreciation. It is by no means certain that conditions in Santa Barbara justify a continuation of the service or that any fare structure will produce enough money to pay operating expenses and yield any return whatsoever upon the property used in the public service.

Obviously, the situation calls for the trial of experimental fares to determine whether or not any fare structure can be devised which will make it possible to continue the service. Various forms of fare were suggested. As nearly as

could be determined at the hearing, the consensus of opinion was in favor of first trying a 10 cent fare, with a 25 cent weekly identification card or pass entitling the holder to a 5 cent fare. This plan, in effect, permits any one desiring a 5 cent basic fare to purchase the right to have such a fare for 25 cents a week (or for longer period than a week at approximately the same or a lesser rate).

The argument in favor of this form of fare is that the increase will fall upon the infrequent and casual rider, while the regular rider, depending upon the number of times he rides, may enjoy a fare approximating the one now in effect. It lends itself readily to the efforts which should be made by the Company to sell its service to the public by the use of some of the merchandising methods common to other businesses. The plan has the added advantage of doing away with the multi-coin fare, the inevitable tendency of which is to slow up traffic and irritate the rider. Under such a fare structure the Company should find it easy to so improve its service in respect to keeping to time schedules as to remove present dissatisfaction on this score and thus encourage patronage of its system.

I recommend the following form of order:

O R D E R

Santa Barbara and Suburban Railway Company having made application for permission to increase the rates on its system in the City of Santa Barbara, and public hearings having been held and the matter being under submission and ready for decision,

IT IS HEREBY FOUND AS A FACT that the present rates of Santa Barbara and Suburban Railway Company are unreasonable and that the rate schedule hereinafter set forth is, under all of the circumstances, reasonable as an experimental schedule,

subject to change by supplemental order of this Commission upon proper showing.

Basing its order upon the foregoing findings of fact and such other facts as are contained in the opinion preceding this order and in the record,

IT IS HEREBY ORDERED that Santa Barbara and Suburban Railway Company be and the same is hereby authorized to establish the following schedule of fares for its rail and bus systems:

- Single cash fare to the holder of an identification card 5 cents.
- Individual weekly identification card . 25 cents.
- Individual identification card for a longer period than one week At the fare of 25 cents a week or such lesser fare as the Company may fix.
- Single cash fare 10 cents.

All subject, however, to the following conditions:

1. Applicant shall file with this Commission tariffs embodying the above fares at least five (5) days before they become effective.
2. Applicant shall publish said schedule of fares and the effective date thereof in a newspaper of general circulation in Santa Barbara for a period five days in advance of the effective date thereof.
3. In order that the Commission may be kept informed as to the effect of the fares authorized herein, applicant shall, until further notice, furnish the Commission monthly reports showing the following information for each preceding calendar month:
 - a. Detail statement of operating revenue and expense;
 - b. Analysis of passenger traffic.

IT IS HEREBY FURTHER ORDERED that the Commission reserves the right to make such further orders in this proceeding, relative to service and fares, as may appear just and reasonable.

The effective date of this order shall be the date hereof.

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 3rd day
of January, 1928.

Ernest J. Coe
C. Peavy
Leon Whisell
Thos. B. Lott
M. J. [unclear]
Commissioners.