

ORIGINAL

Decision No. 19817

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 MOTOR TRANSIT COMPANY for a certifi- )  
 cate of public convenience and neces- )  
 sity for the operation of a sight- )  
 seeing service between Los Angeles )  
 and Orange County. ) Application No. 13,873  
 (Supplemental)

In the Matter of an Investigation on )  
 the Commission's own motion into the )  
 service, practices and operations of )  
 Motor Transit Company, a corporation, )  
 operating an automotive sightseeing )  
 service from Los Angeles to beach )  
 points via Orange County. ) Case No. 2479.

W. H. Sanson and F. D. Howell, for Applicant.

Frank Karr, R. E. Wedekind and H. O. Marler,  
 for Pacific Electric Railway Company.

Norman H. Robotham, for Pacific Coast Motor  
 Coach Company.

BY THE COMMISSION:

SUPPLEMENTAL OPINION

By and under Decision No. 18716, dated August 16, 1927, applicant, Motor Transit Company, was granted a certificate of public convenience and necessity authorizing it to operate a sightseeing service from Los Angeles through Orange County and return, having the single terminus of Los Angeles. One of the conditions of that order provided in effect that applicant should file its tariff of rates and time schedules identical with those attached to the application. Pursuant thereto, applicant did file its tariff of rates and time schedules, the latter providing for the rendering of a daily service.

After the granting of the certificate and the commencement of operations by applicant, complaints were made to this Commission that a daily service was not being rendered as provided in the time schedules. The Commission instituted an investigation upon its own motion (Case 2479) for the purpose of determining whether the service, operations and practices of applicant were in any manner illegal or unlawful.

Subsequently, applicant filed a petition, requesting that Decision No. 18716 be modified so as to permit it to render said service only in the event that one or more passengers presented themselves for transportation.

A public hearing was held on both matters before Examiner Vaughan at Los Angeles on January 30, 1928, at which time applicant orally requested an amendment to the said petition for modification of Decision No. 18716 so as to permit it to render its service only in the event that six or more passengers presented themselves for transportation, within more than thirty minutes prior to leaving time, and that if this request be denied applicant be authorized to discontinue and abandon said service. Both matters were thereupon adjourned to February 20, 1928, so as to give opportunity to the various Chambers of Commerce in Orange County and other interested parties to appear and protest the abandonment if any of them so desired. A written amendment to this petition was later filed.

The adjourned hearing was held before Examiner Vaughan at Los Angeles, both matters were duly submitted, and are now ready for decision.

The record clearly shows that the service has not been successful since its authorization, due probably to the fact that it has not been sufficiently advertised. This has result-

ed in the operation of the service at a loss to the applicant. If permitted to operate only when six or more passengers present themselves for transportation, applicant will not receive sufficient revenues to even cover operating expenses, but it is anticipated that eventually the service can be built up on a self-sustaining basis.

Dr. F. W. Slabaugh testified at the hearing at the request of the Chairman of the Board of Supervisors of Orange County, and also on behalf of the Orange County Secretarial Association, pleading for the continuation of this tour and to protest against any abandonment. The Chambers of Commerce of Laguna Beach and Fullerton made appearance in objection to abandonment, and joined the applicant in its request for a modification of the order authorizing the proposed service.

Protestants, Pacific Coast Motor Coach Company and Pacific Electric Railway Company, who, together, operate a common carrier service into Orange County, attempted to show that it would be very unfair to them to grant the request of applicant for the reason that should less than six persons present themselves for transportation on its sightseeing tour, applicant could then sell these people transportation into Orange County on its regular common carrier service, thereby depriving protestants of the possibility of obtaining that patronage. Full opportunity was given to protestants to develop their case on this theory, but we are satisfied that the record does not bear out their contention.

It seems out of the question for us to compel continued rendition of this service for the transportation of only from one to three or four passengers per trip, with the attendant losses. As above noted, even if applicant carries only six passengers as prayed for in the supplemental application, it will not receive sufficient revenues to meet actual out of

pocket costs for each trip taken. The past performance of this service as shown by the record is so unsatisfactory that we seriously question the advisability of its continuance. We are somewhat constrained to authorize its abandonment, and would do so except for the requests of various chambers of commerce located in Orange County, and other interested parties. Furthermore, in view of the fact that to allow the rendering of this service as requested by applicant does not seem to us to be unreasonable, we feel that the supplemental application should be granted for a six-months' trial period for the purpose of ascertaining the probability of its future success. An order will be entered accordingly.

With respect to the investigation upon the Commission's own motion, it appears to us that applicant did not comply with its time schedules, but its failure to do so is due to a misunderstanding. There is nothing to indicate any willful disregard of the order, in view of which we feel that the investigation should be dismissed.

#### SUPPLEMENTAL ORDER

Public hearings having been held in the above-entitled matters, the matters having been duly submitted, and the Commission being fully advised,

IT IS HEREBY ORDERED that the order heretofore issued by the Railroad Commission in its Decision No. 18716 be, and the same is hereby modified by the addition to paragraph 2 of the conditions of said order of the following:

"Provided, that the applicant herein shall be required to operate the daily service provided for in said tariffs and time schedules only in the event of six or more persons presenting themselves for transportation within more than thirty minutes prior to the scheduled leaving time; and

"Provided further, that applicant shall render monthly a report of the results of operations for a period of six (6) months from the date of this order, which time is hereby declared to be a reasonable trial period, at the close of which a further supplemental order will be entered either permitting the continuance of service according to such terms and conditions as the Commission shall then deem necessary to impose, or authorizing the abandonment thereof;

and

IT IS HEREBY FURTHER ORDERED that applicant shall immediately file supplements to its tariffs and time schedules filed in compliance with the order in Decision No. 18716, showing that service will be performed in accordance with the order as modified.

IT IS FURTHER ORDERED that Case No. 2479 be, and the same is hereby dismissed.

Dated at San Francisco, California, this 28th day of May, 1928.

Leon Whitall  
Chas. J. ...  
Ernest ...  
Thos. D. ...  
M. J. ...  
Commissioners.